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ABSTRACT

This document contains 19 papers on work and second careers presented at a conference on aging. The papers, grouped into themes of trends and implications, resourceful roles, resources, and an agenda for the future, include the following: "Demographic Potential and the Quiet Revolution" (Opening Remarks by Robert A. Harootyan); "Work/Second Careers" (Executive Summary and Commentary by David N. Gamse); "Midlife and Older Women: Valuable Resources for Today's Workforce" (Rubie G. Coles); "U.S. Labor Market Trends and Prospects for Older Workers" (Judith C. Hushbeck); "Innovative Programs for Older Workers at a Time of Labor Force Uncertainty" (Robert Levin); "Second Careers: New Challenges, New Opportunities" (Clarence William Patten); "Contingent Work Options: Promise or Peril for Older Workers" (Paul Rupert); "Still Working?" (Caroline Bird); "Work and Second Careers" (Sally Coberly); "Days Inns Recruits Older Workers" (Shira Miller); "My Reincarnation Is in My Audience" (Herman W. Pollack); "Bank of America--An Advocate for Older Workers" (Beverly Fuentes); "Services for Older Workers: Observations on Research and Programmatic Needs" (Denis Gray, Katherine A. Grant); "Utilizing Individual and Personal Resources" (Yoji Ozaki); "Making Resourceful Aging a Reality: A Case for a National Older Worker Employment Policy" (Sara E. Rix); "Senior Environmental Employment Program" (John Ropes); "Creating a Vision" (David Gillette); "Involving Older Persons in the Labor Force: An Agenda for the Future" (Jeanne M. Hogarth); and "Finding the Right Fit: Older Workers and the Emerging Economy" (Kathy Sisco). A directory of 25 programs and resources is included, as are the tables of contents of the other 4 conference volumes. (KC)

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RESOURCEFUL AGING: Today and Tomorrow

Conference Proceedings

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Volume IV

WORK / SECOND CAREERS

AARP

American Association of Retired Persons

Cornell University

CE 060 808

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RESOURCEFUL AGING:
Today and Tomorrow

Conference Proceedings

Volume IV
WORK/SECOND CAREERS

October 9–10, 1990
Arlington, Virginia

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American Association of
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The views expressed by the authors of the following conference papers are their own and do not necessarily represent formal policies of the American Association of Retired Persons. The papers are presented for information, debate, and discussion.

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Finally, a special thanks goes to the authors of the papers and the participants in the conference. Their knowledge, experience, and cooperation made the conference a lively event characterized by meaningful dialogue among a wonderful group of researchers, practitioners, policy makers, and exemplars of "Resourceful Aging: Today and Tomorrow."

OPENING REMARKS

DEMOGRAPHIC POTENTIAL AND THE QUIET REVOLUTION

Robert A. Harootyan
Director
New Roles in Society Program
American Association of Retired Persons
Washington, D.C.

Thirty million Americans today are age 65 and over, with the number projected to increase to 35 million older persons by the turn of the century. The official projection is likely to be an underestimate. Most Census Bureau projections in the past have been quite conservative estimates. It is feasible that by the turn of the century the number will approach 40 million.

During the last 30 years, the health of middle-aged and older Americans has improved substantially. In the 1990s, even greater advances are likely to occur. Major advances in biomedical technologies and drug interventions promise new ways to treat diseases, ameliorate their effects, delay their onset, and even prevent their occurrence. In the distant future, progress in genetic technologies is likely to generate even better treatment and prevention methods. Concomitantly, greater proportions of our population—at all ages—are adopting improved lifestyles and healthy behaviors.

The result is likely to be a population that not only lives longer but also lives healthier for a longer period of time. While diseases will still exist and take their toll on the oldest among us, their impact will be felt largely among the very old. These forces, when combined, are leading to what the New Roles in Society Program has called "the quiet revolution."

The Myopia of Negative Images of Aging

When most people talk about the growing elderly population, they become concerned about that growing number. There's no need to assume that those greater numbers are somehow a problem. This conference was not convened to explore the problems and burdens of an aging population. We have purposely avoided the orientations of most conferences on aging, where problems are described, burdens are emphasized, and the so-called demands of an aging society are discussed. Those are not the themes of this conference.

This myopia of thinking about the future older population can be crippling. We think there will be a healthier, more vital, increasingly active, more energetic, better educated, and more involved older population in the future than there is today.

We believe there is increasing recognition of the talents, experience, and vitality among older persons. Resourceful

aging is a theme that will receive increasing attention in the 1990s and beyond. This conference is a special opportunity for all of us—and our colleagues in program management, policy development, advocacy, and research—to focus even more attention on this issue. It's an opportunity to seek out the philanthropic sector, the business community, voluntary and civic organizations, and the aging network to be more involved in creating opportunities for resourceful aging. We can promote greater awareness and understanding of older people as resources in our society. And the more attention we pay to this idea *today*, the better off everybody—all generations—will be in the years to come.

"We will highlight what works and how today's 'exceptions' can be tomorrow's 'rules'—a new vision of what life could be like in an aging society."

This conference seeks to foster not only a new image, but a new reality of what it means to be an older person and a participant in our society *throughout* one's lifetime.

I'd like to share a true story about one exemplar of vibrant aging. Henry Stenhouse, a gentleman from North Carolina, was campaigning for a seat in the U.S. Congress.

Lots of people run for public office. What was so special about this case? There were three things. First, he drank rum and Gatorade. Maybe the rum makes it taste better or makes it work better. The second fact may be related to the first one: Mr. Stenhouse was 100 years old! That alone should make some of us think more openly and creatively about resourceful aging. The third fact is the confidence that Henry showed in response to a very pointed question from someone about his qualifications for public office. Henry, without missing a beat, said that he was "as qualified as anybody else because I can talk all day and say nothing." Mr. Stenhouse lives and breathes resourceful aging both mentally and physically.

During this conference, we will focus on the positive and resourceful aspects of aging in our society. Exemplars such as Henry Stenhouse will be showcased. We will explore the implications of a longer living population and stimulate increased awareness of the productive resources of midlife and older persons. We will highlight what works and how today's "exceptions" can be tomorrow's "rules"—a new vision of what life could be like in an aging society.

The conference has been organized into four tracks: family and caregiving, work and second careers, lifelong education, and volunteerism. Within each track, we will examine trends and their implications; describe resourceful roles that midlife and older people play; examine what resources are available or are necessary for these role options to become more commonly available; and develop an agenda for future action. The action agenda will include projections of needed programs, policies, research, and attitudinal and societal changes.

We are especially fortunate to have three exciting speakers for the plenary sessions during the conference: Dr. James Birren, Director of the Borun Center for Gerontological Research at UCLA; the Honorable George Romney, National Chairman of VOLUNTEER - The National Center; and Robert Maxwell, President of AARP.

This conference is not an end. It is a beginning. It is a catalyst for generating the possibilities and opportunities for Resourceful Aging: Today and Tomorrow.

Robert A. Harootyan is Director of the New Roles in Society Program at the American Association of Retired Persons (AARP). His experience in the field of aging includes positions as Senior Analyst at the Office of Technology Assessment (U.S. Congress), Deputy Director of the Reverse Annuity Mortgage Program, San Francisco Development Fund, Associate Director for Research at the American Society on Aging, and Special Research Consultant in the Director's Office of the California Department of Aging. Prior to these positions, he served on the faculties of Cornell University, the University of Southern California (Andrus Gerontology Center), and the State University of New York at Oswego.

EXECUTIVE SUMMARY AND COMMENTARY

WORK/SECOND CAREERS

David N. Gamse
Executive Director
Jewish Council for the Aging of Greater Washington
Rockville, Maryland

In the Work/Second Careers sessions of this conference, presenters offered substantially divergent views on the status and needs of older workers. All agreed, however, that older workers are an underutilized resource that holds great promise for the nation.

The presenters did not subscribe to a single definition of "older worker." Some thought this designation applied to workers at age 40; others said it applied to those age 65 and older.

Those who reported national or international data noted ominous economic and social trends that could limit our nation's productivity and discriminate against many classes of workers, including older ones. Those who reported on a specific company's older-worker program or on their own experiences were more likely to believe that most employers already know and respect the considerable skills and attributes of older workers—or soon will do so. Still other presenters were somewhere in the middle of this issue.

Older Workers and Mentors: A Strategic Economic Resource

Older Americans today are healthier, better educated, and longer lived than previous generations. A growing number of employers are recognizing the benefits that these people can bring to their companies as employees. Research indicates that older workers tend to be loyal, punctual, deadline-conscious, experienced, rarely absent, and sensitive to their co-workers' needs.

Older Workers Benefit the Bottom Line

Days Inn of America is documenting the bottom-line benefits older workers bring the company (Miller, this volume). Just a few years back, the company's reservations department functioned like a revolving door, with more than a 100 percent employee turnover rate per year. Older workers changed that profile fast. For its newly recruited reservation clerks, age 55 and over, absenteeism and turnover rates are low. Moreover, these new employees serve as effective role models for the younger persons who work with them. Overall, the employee turnover rate has dropped by 80 percent; the average length of employment has increased from three or four months to three years and continues to improve.

The national Senior Environmental Employment (SEE) program, which is run by the U.S. Environmental Agency (EPA), recruits persons who are age 55 and over

and who are retired or unemployed to work on short-term assignments for EPA (Ropes, this volume). Full-time and part-time positions range from clerical to highly technical jobs. Today, more than 1,000 SEE workers are in the program, and other federal agencies may adopt similar programs.

One example of a SEE project is the Asbestos in Schools Program. SEE workers inspected and surveyed thousands of schools throughout the nation, notified school officials of asbestos management or removal requirements, and provided them with relevant information and assistance.

The U.S. Administration on Aging (AoA) also is involved in programs that expand employment opportunities for midlife and older workers. In 1990, AoA and the Washington Business Group on Health launched a program called "Partnerships in Aging." The program provides seed grants to community agencies that work with businesses to expand older worker employment. In Maryland, for example, the Ann Arundel County Area Agency on Aging received one of these grants. The funding enabled the agency to train older workers in computer and related skills then place them in seasonal jobs with the Maryland State Assembly. Programs such as this one provide new roles for older adults and show government officials firsthand how valuable older workers can be.

"Older workers have a wealth of skill and knowledge to share. Many employers are tapping their experience to help shape the future."

Employers that are serious about attracting older workers also do all they can to keep these workers from retiring. The Travelers Companies, for example. have documented how cost-effective a retiree job bank[1] can be (Coberly, this volume). Its Job Bank lists the names of people who want to work and the nature of the work they seek. Then, as jobs become available, Job Bank operators search for matches between candidates and job requirements. The Travelers' management has found that the Job Bank can virtually eliminate the need to use more expensive (and more traditional) temporary employment firms, which often provide workers who are unfamiliar with the company or industry. The Travelers "sells" its Job Bank services not only to its own retirees (often well in advance of their retirement), but to its competitors' retirees as well. Pensions and benefits are designed to augment the program, enabling "working retirees" to maintain or even improve their benefits status. Control Data Corporation and a host of other companies have followed The Travelers' lead.

Mentoring: Tapping the Resources of Older Workers

Older workers have a wealth of skill and knowledge to share. Many employers

[1]Editor's note: The Travelers Companies have recently merged their Retiree Job Bank with their TravTemps service. This service places temporary workers of all ages in short-term and long-term jobs at Travelers headquarters.

are tapping their experience to help shape the future.

Some corporations have formal programs that enable older employees to serve as mentors for other staff members. Approximately 10 percent of U.S. corporations have formal mentoring programs. NCR, AT&T, Hoechst-Celanese, Dow Jones, the U.S. Postal Service, and Motorola are among them. Generally, they find that these programs increase communication among many staff levels within the company. In addition, these programs can help transfer knowledge from one generation to the next (Zey, 1991[2]). Through mentoring programs, companies can transform the very definition of the older executive, from administrator to teacher.

Focus:HOPE, a Detroit-based civil and human rights organization, has tapped the resources of retirees in its Machinist Training Institute. The Institute was created to recruit and train novice machinists, the majority of whom are recent high school graduates. Between 60 and 75 percent of the Institute's faculty are retirees interested in sharing their expertise with young trainees who might one day carry on the trade (Kudek, 1991).

The growing need for skilled trade workers has been a problem in New York State, as well. About two years ago, the State recognized that it was losing industries to other sections of the country. In part, the drive to go to college has resulted in a decline in those seeking trade jobs. Governor Cuomo directed the state's Job Training Partnership Council to develop a strategy for attracting students to the trades. The result: the Skilled Worker Emeritus Program (Pollack, this volume).

Through the program, skilled workers throughout the state are enlisted to share their expertise with young people, displaced homemakers, and dislocated workers. By making public presentations and through one-on-one work, they highlight opportunities available in the skilled occupations (Gillete, this volume).

The Service Corps of Retired Executives (SCORE) is another growing mentor program. This national volunteer network is made up of business executives and professionals, mostly retired, who train small business leaders and provide them with technical and managerial counseling. Many SCORE volunteers are former chief executive officers of large corporations. Others have operated small businesses or have worked as computer consultants, doctors, lawyers, government officials, airline pilots, and university professors, among others.

"Choice will be the watchword of the future. For many older persons, work—both paid and unpaid—will become an integral pat of retirement life."

With a 25-year track record, SCORE now consists of some 13,000 volunteer members who provide their counseling services in 750 locations. In 1989, SCORE

[2]The report on Lifelong Education, one of the four topic areas discussed at the Resourceful Aging Conference, is available as a separate volume and contains the presentations on lifelong education.

helped more than 300,000 small-business leaders (Buffam, 1991[5]).

Making the Match: Effective Tools

Choice will be the watchword of the future. For many older persons, work—both paid and unpaid—will become an integral part of retirement life. Matching the needs and wants of the midlife and older worker with the options and constraints of employers will become increasingly critical.

Numerous employers, recruiters, and educational services are experimenting with effective tools for identifying those interested in new careers. Job clubs, job fairs and senior employment networks are three approaches that help match would-be workers with employers. In addition, many profit and non-profit agencies are beginning to specialize in older worker recruitment, training, and placement. In the view of many experts, such programs are long overdue.

Job Clubs. Retirement, defined as a transition to leisure and disengagement from the workforce, is no longer seen as inevitable or even desirable. People increasingly have more choices in deciding whether to work or retire. Many are likely to need some assistance in making a decision and in achieving their employment objective.

While various types of services such as career counseling and retraining programs may be available, job-finding programs, specifically job clubs, have an excellent track record among older adults. A job club is a formal program that provides job search assistance to midlife and older persons who are unemployed or interested in a career change. Job counseling, resumé preparation, and access to job banks are a few of the services commonly available through job clubs. They typically use lectures, workshops, self-instruction, and peer group support techniques to promote effective and persistent job-finding activity (Gray and Grant, this volume).

Research has validated the effectiveness of the job club concept; in fact, for the older worker, the job club appears to be significantly more effective than traditional job-finding services (Gray and Grant, this volume). In spite of the positive evidence about job club programs, adoption and implementation of these clubs, particularly those targeting older people, has been sporadic. Substantially greater funding for such programs will be required in the future.

Job Fairs. Bank of America recruits most of its older employees at older worker job fairs. Bank of America, the National Council on the Aging, and Volt Temporary Services, a national temporary services firm, co-chaired the first state-wide job fair for older workers in California. The job fair was held simultaneously at 12 sites throughout the state. Over 7,000 participants age 50-plus and 100 potential employers attended the job fairs (Fuentes, this volume). In addition, special provisions were made for recruiting Spanish-speaking elderly persons.

[5]The report on Volunteerism, one of the four topic areas discussed at the Resourceful Aging Conference, is available as a separate volume and contains presentations on volunteerism.

In conjunction with the job fairs, community organizations have actively assisted Bank of America in recruiting older workers. The Los Angeles Counsel on Careers for Older Americans (now called Career Encores) has a network of about 43 agencies that helps link older persons seeking jobs with potential employers. Second Careers, another nonprofit organization, is under contract with Bank of America to assist in the recruitment of temporary workers.

In addition to its work with job fairs, Bank of America has also convened forums to educate other corporations about the benefits of hiring seniors, and to demonstrate how other companies can tap the resources of midlife and older workers (Fuentes, this volume).

The Job Fair for Mature Workers is another example of how community-based organizations are recruiting the diverse talents of older workers. In 1990, over 1,000 job seekers age 55-plus and about 55 Washington, D.C. area businesses attended the fair. Of those attending the fair:

- 51 percent previously had held such professional jobs as lawyers, engineers, social workers, and educators;
- 43 percent had worked in management positions;
- more than half had experience in writing, accounting, sales, and other fields; and
- 38 percent had previously worked in government.

This annual event is coordinated by Job Support for Seniors, an employment counseling program, and Senior Job Co-Op, a placement and referral service, both administered by the Jewish Council for the Aging of Greater Washington.

Network Building. Aging in America, a New York-based community organization, operates numerous older adult programs, including a national employment program. Believing in the inherent value of partnerships and communications, it has created over 30 networks throughout the nation to enhance employment programming for persons who are older or disabled.

Until recently, gerontologists, social workers, and other specialists each had their own island of expertise, and basically worked separately. Aging in America has advocated a change in this way of doing business. For example, it was actively involved in creating Older Worker Employment Professionals of New York, an organization that strives to coordinate older worker employment activities among aging and rehabilitation professionals. Through the organizations, members of community-based organizations discuss and coordinate their employment programs (Sisco, this volume).

Aging in America also has been a staunch supporter of expanded employment training for older people. Opportunities exist for universities and other educational organizations as well as community-based organizations to expand and enhance programming for older persons. In the past, the emphasis has been on entry-level training for the older worker, but more must be done to prepare workers with the skills and knowledge they need to be competitive in a high-tech work environment (Sisco, this volume).

One strategy that Aging in America has used to promote increased involvement by businesses has been to include private sector representatives on its advisory council. Businesses can provide guidance on current and emerging employment trends and opportunities while learning about how they can develop programs, policies, and incentives that retain and attract older workers. The involvement has enabled business leaders to see that hiring seasoned workers can be profitable (Sisco, this volume).

Operation ABLE, a not-for-profit Chicago organization, also builds bridges between older job seekers and employers and older worker placement agencies. ABLE offers job search seminars, job skills training programs, career and second career counseling, referral services, unsubsidized job placement, subsidized job placement, and temporary employment. While ABLE does work directly with individual job seekers, it primarily serves as an advocacy organization. Its goals are to:

- strengthen existing older worker employment agencies and facilitate the development of new agencies and services;
- promote public awareness, advocate, educate, and influence policy; and
- plan new approaches to business and industry that increase job opportunities for older persons.

Building upon the success and experience of programs such as Operation ABLE and Aging In America, multifaceted older worker training, placement, and referral programs are being organized in many cities throughout the United States.

Unresolved Issues

Why have so few employers adopted these innovative programs for recruitment, training, and management of older workers? In some cases, corporate decision makers remain unaware that these programs even exist. Thus, Days Inn, Bank of America, the EPA, and others are working to spread the word. Their programs have received national and local exposure in print, on television, at special employer breakfasts and job fairs, and through community service networks.

Yet experts believe that employers that are aware of these programs often fail to follow suit because their top managers, who themselves are typically middle-aged or older, are often shortsighted and noncommittal. Without commitment from the top, human resource professionals who want to implement or expand older-worker employment programs say they are stalled. In other cases, the particular nature of an employment setting makes it unlikely that a transplanted program will succeed.

Days Inn, for example, was able to locate its corporate-run reservation centers anywhere because customers reach the centers by telephone, not on a walk-in basis. The company chose locations where substantial numbers of willing and able older residents—potential workers—lived nearby. The work itself is "clean," with few physical demands. However, many employers, including several of Days Inn's counterparts in the fast-growing service sector, cannot choose their locations according to worker availability. Instead, they must operate their restaurants, shops, hotels, and hospitals where the potential customers are located.

U.S. Employment Trends and the Older Worker

Given current retirement trends, most Americans will live one-quarter to one-third of their lifetimes in retirement. Yet the Commonwealth Fund (McNaught and Barth, 1990) estimates that nearly 2 million persons age 50 to 64 are ready and able to return to work (Patten, this volume). Other studies indicate that many persons age 65 and over would prefer to work, at least part-time (Sisco, this volume; Coberly, this volume).

The Commonwealth Fund study also predicts that half of all working Americans will lose a job at least once by the time they reach age 60 (Patten, this volume). Labor and management, singly or in cooperation with one another, release thousands of older workers via "golden parachutes," less generous exit incentives, and outright terminations (Levin, this volume).

The number of downsizings has increased. Many large employers are planning second, third, or fourth waves of labor force reductions. Many CEOs are said to have a reduction-in-force (RIF) plan "in their back pocket" (Rupert, this volume). During the period 1980-87, the Fortune 500 companies eliminated 3.1 million jobs, putting one-fifth of all Fortune 500 employees out of work (Rupert, this volume).

Older persons are over-represented among the job losers, in part because seniority-based pay and benefits systems can make senior workers expensive. Big business has been especially prone to invite older workers to leave, whereas small businesses, which traditionally offer few employer-paid benefits, employ an ever-increasing share of the American workforce.

A growing number of older men and women recognize that, in today's turbulent labor economy, mid-level and senior-level managers may be even more vulnerable to job loss than the rank-and-file. In many companies, RIF programs are eliminating workers at increasingly younger ages, sometimes because the older workers already have exited. The relatively few older workers who are rehired for other positions are likely to have nonmanagerial jobs.

The Changing Nature of American Corporations

Labor shortages already are evident in several sectors (Rupert, this volume), but the number of business-sponsored programs specific to the needs of older workers has declined over the last several years (AARP, 1989). Driven by last quarter's profit-and-loss statements, not by long-range planning based on labor forecasts, some employers have dismantled older worker programs as soon as corporate profits fell. Others are continuing to encourage their senior employees to retire while scrambling for younger employees to fill new and longtime vacancies.

Another factor that influences decisions about older workers is inflationary health care costs. Many CEOs believe health insurance costs would soar if they were to employ more older persons in traditional full-time jobs (Fuentes, this volume). This fear remains, even though many employers with special older-worker recruitment and retention programs say

that older workers do not cost them significantly more to insure than other employees. On the contrary, older workers tend to have fewer dependents than younger workers. Further, Department of Labor and other data show that older workers have acute illnesses less often than their younger counterparts, although they may have more chronic ailments.

Few employers invest in the training of older workers. A recent AARP study found that only 29 percent of U.S. companies have training programs available to older workers even though more than 55 percent of the surveyed firms said such programs could help older workers become more employable (Coberly, this volume). Without training, older workers become more expendable, especially during economic recessions or times of intense business competition. Some lose their jobs; others retire.

The Growing Contingent Labor Force

As many as one-third of all employed Americans are "contingent workers," hired on a part-time, temporary, or contractual basis with few benefits and few enduring ties to their employers (Rupert, this volume). Because many older workers have few viable employment options and because so many have left their "career jobs" in search of part-time employment, they are especially likely to be in this group. Granted, some older workers *seek* contingent work, appreciating the greater measure of flexibility it provides. Others, however, find themselves forced to choose between contingent work and no work at all.

With little cost and relatively few legal commitments, employers can add or subtract contingent workers at will, giving themselves the flexibility they deem necessary in the workplace. In fact, employers frequently block contingent workers from becoming "regular" employees.

Employment vs. Retirement

Few organizations agree on even the basic definitions of "retirement age" or "older workers." They fall back on government definitions or program criteria that many professionals in the field believe are at odds with each other (Hushbeck, this volume), as exemplified by the following contradictions:

- The federal Age Discrimination in Employment Act (ADEA) defines older workers as employed persons age 40 or older. Some states begin age protection for workers as young as age 18.
- AARP considers persons age 50 and older to be the proper target for its Worker Equity programs.
- The federally funded Senior Community Service Employment Program (SCSEP) targets persons age 55 and older.
- Many local agencies, left to their own devices or dependent on local, county, or state definitions, say older workers are those age 60 and older.
- Some groups look to Social Security for guidance, thereby defining old as beginning at age 62 or 65.

Because today's 40-year-olds differ substantially from 65-year-olds, it is essential for older-worker advocates to do a better job of delineating the population they serve and to cooperate on service planning and delivery (Sisco, this volume).

If older workers are defined as those age 65 and older, their status in the American workplace is precarious, indeed. Three million workers fit this definition, approximately the same number as in 1950, despite the explosion in America's aged population over the past 40 years (Rix, this volume). Thus, the percentage of workers age 65 and over has been declining steadily.

Factors Influencing the Work/Retirement Decision

Inherent in the declining labor force participation has been the lure of retirement for many older workers. Nevertheless, an employee's decision to retire or to try to keep working results from the interaction of several complex factors.

Pension Benefits. Many benefit plans cap their value once employees reach age 62. Some plans even decline in value for persons choosing to work beyond "traditional" retirement age. One study by the Department of Labor found that the present value of total future benefits for a person who continues to work until age 68 is 90 percent of that for the person who retires at age 60. Certainly, pension plans that shrink benefits as a "reward" for continuing service dissuade many older people from working (Hushbeck, this volume).

Social Security. The very existence of Social Security creates an incentive for workers to retire. The age at which persons can draw Social Security, the amount of money workers lose via the earnings limitation test, and the amount of monthly benefits all influence the work-retirement decision of each older worker and retiree covered by the system (Hushbeck, this volume).

The Dream of Retirement. Although the word "retiree" once conjured up images of rocking chairs and nursing homes, today it is just as likely to evoke a mental picture of travel and happy times spent with family or friends and in social and community service. Many older persons—and younger ones as well—believe retirement to be the proper reward for a lifetime of work.

Ignorance about Planning. An AARP (1989) study found that fewer than one-fourth of all American workers age 50 and older have access to the kind of comprehensive retirement planning program that helps people make timely and rational decisions about work and retirement. Perhaps even fewer older persons have access to career planning or job-finding programs, which are especially important not only to workers who have not looked for a new job in decades, but also to displaced homemakers and other persons in middle or later life who seek paid employment for the first time ever. Unfortunately, planning ignorance leads many workers to make work and retirement decisions that are expensive, painful, and sometimes irreversible.

Health and Health Insurance. Poor health of a worker or of a worker's loved one leads many people to retire or to seek part-time work or less demanding jobs (Hushbeck, this volume; Patten, this volume). At the same time, many other employees with eldercare commitments or poor health themselves continue to work because they either need wage income or fear a loss of health insurance coverage for themselves and their dependents.

The burden of eldercare places a special strain on older persons, especially older women, who typically assume the responsibility of caring for an ill or incapacitated relative or friend. Before it introduced eldercare programs, Transamerica Life Insurance Corporation estimated that it lost $250,000 worth of productivity each year due to its employees' eldercare responsibilities (Naisbitt and Aburdene, 1990).

Employability. Many older workers have skills that are out-of-date. Technological change has increased the rate at which people must seek training and retraining, and some employers—especially large ones—are investing heavily in worker training and retraining programs. Regardless of age, workers with obsolete skills who fail to take advantage of these and other programs may find their employment jeopardized. Often, workers with obsolete skills retire earlier than those with up-to-date, marketable skills.

Job status. Few younger people dream of earning their paychecks in low-paying service sector jobs, even though service workers are, and probably will remain, in demand for years to come. As time goes by, older persons working in these jobs get less psychological reward for doing them. A lack of job prestige can encourage some older persons to opt for retirement over work.

Discrimination. Despite the Age Discrimination in Employment Act (ADEA) and other federal and state laws, workers age 40 and older increasingly report blatant and subtle age discrimination in hiring, promotion, training, and termination. Even those employers who have cleansed their personnel policies of age discriminatory terminology may have failed to rectify the abusive day-to-day management practices of frontline supervisors. Moreover, older women, minorities, and disabled persons may still face multiple forms of discrimination (Ozaki, this volume).

"The world of work is changing. The advances in communications and computer technologies as well as the growing dominance of the global market are creating new opportunities, challenges, and adversities for employers and workers."

Many younger managers report special discomfort in supervising staff who look like Mom or Dad, Grandma or Grandpa. They may see little benefit in training or

otherwise helping employees who they believe will soon retire or die. Some research suggests that these young managers avoid confrontation or even counseling sessions with older subordinates, preferring instead to assign important work to younger and often less experienced persons.

Some experts believe that any company program that specifically encourages older persons to leave creates an atmosphere of age discrimination for remaining employees of all ages. Such an atmosphere can lead to decreased productivity and morale among those older workers who stay. In the end, unwelcome and depressed employees may retire at younger ages than they might have otherwise chosen.

Discriminatory practices are likely to increase as more and more American workers are employed by foreign companies. Only the United States has comprehensive age discrimination laws. Even those nations that tend to venerate their elders tend not to welcome older persons as paid employees.

Meeting the Needs for Older-Worker Employment

Economists estimate that our nation will create 21 million new jobs between 1986 and 2000 (Bureau of Labor Statistics, 1988). At the same time, labor force growth is projected to be less than 1 percent per year, the slowest it has been since the 1930s. This may make older workers a "hot property." Alternatively, employers may turn to other populations that are underused in the workforce, for example, women and minority workers. Employers will need to recognize the special skills of these groups in order to satisfy their labor needs. Displaced homemakers make up one such group of women who have special talents from years of child care and household management (Coles, this volume).

The world of work is changing. The advances in communications and computer technologies as well as the growing dominance of the global market are creating new opportunities, challenges, and adversities for employers and workers alike. The aging of the workforce and the stereotypes of older workers as less flexible, resistent to new technology, and out-dated can inhibit the most effective and efficient deployment of human resources.

Though awesome, these barriers can be overcome. It will require the combined efforts of business, government, and individuals to replace stereotypes and myths with a unique evaluation of each individual based on performance, ability, knowledge, skills, and attitudes.

Changes in attitudes and expectations and investment in human resources are essential. Expanded research, policies, and programs are needed now to maintain a strong economy, increase productivity, and meet the constantly changing needs of businesses and employees. The following list highlights recommendations suggested by conference panelists:

- Foundations and other public and private agencies should stimulate and conduct more age-specific, minority-specific, and longitudinal research on: productivity; workers' health insurance costs; factors that influence decisions

to work and to retire; effectiveness of retirement planning, employment planning, and job search programs; factors that contribute to employment discrimination; and factors that discourage people from looking for work (Rix, this volume).

- Policymakers need to identify and eliminate work disincentives within public and private pension plans (Hushbeck, this volume).
- Public and private programs designed to help older workers need to collaborate more effectively with one another at local, state, and national levels.
- Health insurance must become more affordable and widely available to workers and nonworkers alike. If the private sector continues to shy away from providing comprehensive coverage for workers and retirees, the public sector must be willing to pick up the slack through national health insurance or publicly supported plans (Hushbeck, this volume).
- The nation must provide more education and training opportunities to persons throughout their working lives. The more education and skills that people have, the more likely they are to delay retirement (Hogarth, this volume).
- Employers need to improve their training of managers, supervisors, and human resource professionals on how to nurture diversity in the workplace while treating all employees equitably, regardless of age (Fuentes, this volume).
- People of all ages need to seek—and demand—more and better employment and retirement planning programs from their employers, the government, or diverse community organizations such as community colleges, universities, and religious institutions. Such programs should help individuals make informed and timely choices (Gray and Grant, this volume).
- High school and college guidance counselors and employers' human resource departments should help individuals develop a "lifetime itinerary" for each kind of job by maintaining current employment information. The itinerary should include projected training needs, projected salary, sample employment hierarchy, and estimated growth or retrenchment for the field as a whole.
- Older-worker advocates should do more than help disadvantaged, unemployed persons find and keep jobs. They should strive to definitively develop or identify jobs with upward mobility potential and to provide their clients with long-term counseling so that each client can map his or her own lifelong career path.
- Public and private institutions need to help older workers understand the protections afforded them by the ADEA and other employment-related laws. Additionally, the government should improve its enforcement of these laws (Rix, this volume).
- Government should investigate the potential advantages and disadvantages of requiring employers to conduct age audits on hirings, promotions, terminations, training program enrollment, etc., and to report their

findings to a responsible government agency with broad enforcement authority (Rix, this volume).

- Employers should offer a wide range of employment options that give both employers and employees more flexibility in the workplace. Options could include: flextime; flexplace; part-time and shared job opportunities with pro-rated benefits; phased retirement; and, where appropriate, job redesign. Workers, regardless of age, should have the opportunity to select from these options (which have special appeal to many older workers) or to choose more traditional, full-time jobs with equitable promotion opportunity (Rupert, this volume; Rix, this volume; Bird, this volume).
- Employers should encourage workers to volunteer for community service organizations throughout their work life. When considering individuals for hire or promotion, employers should credit responsible volunteer work as wholly equivalent to comparable paid work experience.
- Employers should enable employees to choose their benefits from a smorgasbord that includes eldercare programs and other programs of special interest to older persons.
- In addition to employers developing programs so they can more fully employ older persons who want to work, state and federal governments should serve as employment laboratories to design and test model innovative older-worker employment programs (Rix, this volume).
- Employers, government, and nonprofit organizations should cooperate in designing, nurturing, and publicizing programs of mutual benefit to employers and older workers.
- The public and private sectors need to begin now to develop a national employment policy that affords equal employment opportunity to all, regardless of age (Rix, this volume).

Tomorrow's Older Workers

According to many experts in labor and gerontology, older workers in the year 2000 and beyond will be different from today's older workers in several ways:

- Knowing mergers, downsizings, and contingent work relationships to be a way of life, tomorrow's older workers will join their younger colleagues in having little loyalty to any single employer, occupation, or career path. They will look instead for jobs that give them personal satisfaction and the kind of flexibility, pay scales, and benefits they seek.
- Tomorrow's older workers will be likely to protest to their employers and to the government if they believe they have been treated unfairly. They will be more apt to litigate under the Employee Retirement Insurance Security Act (ERISA), ADEA, and other employment laws, and they will better understand the basic protections that the laws afford.
- They will be more likely to volunteer their thoughts to unions, employers, government, and advocacy organizations on how to improve working conditions and get the job done.

- They will be more computer literate and perhaps better trained to take advantage of skills training both inside and outside the workplace.
- Having been schooled with children of many diverse ethnic origins, religions and races, they will be more able to accept and value diversity in the workplace.
- They also will value diverse work options. Decisions to retire or to seek part-time or full-time employment will not be considered absolute. Instead, people will be able to switch from one lifestyle/work option to another. Moreover, many will have second or third careers, not just two or three jobs in a single career.
- Perhaps, tomorrow's workers of all ages will do a better job than today's workers in blending work, education, and leisure throughout their lifetimes.

Yet, as different as older workers will be in the future, they will remain similar to today's older generation in one important respect: they will continue to depend largely on their jobs for structure in their lives, for identity, and for the kind of wages and benefits they need to buy a lifestyle that grants independence and dignity, not only for themselves but for their loved ones as well.

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OVERVIEW: TRENDS AND IMPLICATIONS

MIDLIFE AND OLDER WOMEN: VALUABLE RESOURCES FOR TODAY'S WORKFORCE

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The 1980s were a decade of unprecedented change for women. American women entered the paid labor market in record numbers, dispelling stereotypes about their dependability as workers and challenging assumptions about their commitment to the workforce. While many women's careers and options blossomed, a new set of myths about women and work has taken root. Within this new climate, women are expected to work outside the home. Unpaid work as mothers and homemakers has lost its status as a legitimate, honorable profession for women, and displaced homemakers are expected to make the transition into the paid workforce easily, earning wages to support themselves and their families.

Displaced homemakers represent a special population of women who stayed home to take care of their children and families, volunteer at schools, organize children's activities, and otherwise maintain America's families. They have lost their main source of income and have become displaced homemakers through divorce, separation, loss of public assistance, or the death, disability, or long-term unemployment of their spouses. In the last 10 years, the number of displaced homemakers grew by 12 percent, bringing their total population to 15.6 million. These midlife[1] and older women need jobs but are often ill prepared to enter the labor market. Age, sex, and race discrimination still stand as barriers to their employment. Lack of recent work experience and low levels of education prevent them from obtaining jobs that pay decent wages. Despite the notion of equal opportunity for women, displaced homemakers are often forced to scratch out an existence on the margins of the labor market.

The National Displaced Homemakers Network was formed ten years ago to empower all displaced homemakers and assist them in achieving economic self-sufficiency. The Network is comprised of more than 1,100 local programs, agencies, and educational institutions that provide job readiness, counseling, outreach, training, job placement, and other vital services to displaced homemakers. The Network affects public policy by working with lawmakers and business leaders to create and strengthen local programs. The Network collects data, disseminates information, provides technical assistance to local programs, and is committed to

[1]In this paper, midlife is define as between the ages of 40 and 55.

ongoing public education about the needs of displaced homemakers.

Earlier this year the Network published *The More Things Change . . . A Status Report on Displaced Homemakers and Single Parents in the 1980s* (1990). This comprehensive document reports that of the 15.6 million displaced homemakers in the United States today, 30.5 percent are in their prime working years, ages 35-64, while 58 percent are age 65 and older.

The report indicates considerable racial diversity among displaced homemakers: 63.7 percent are white, 9.8 percent are Hispanic, 23.0 percent are black, and 3.5 percent are other races. Among all racial/ethnic groups, women under the age of 54 are likely to be displaced because of a divorce or separation, while women over the age of 55 are more likely to be widows. Displaced homemakers in their prime working years are likely still to be raising children. Among women aged 45-54, more than one-third are supporting children under the age of 18. Older women are less likely to be supporting children under the age of 18, but often need to support themselves.

In addition to the skills developed in raising children and running a household, displaced homemakers are likely to have some paid-work experience. During the last decade, midlife displaced homemakers increased their participation in the labor force by 10 percent, but this change has been in the numbers of women employed either less than six months of the year, or part-time for six to twelve months of the year. In 1989, 28.5 percent of midlife displaced homemakers held part-time jobs, while 14.3 percent worked full-time in seasonal or full-year positions. Among women over the age of 65, 8.0 percent worked part-year or part-time and 0.4 percent held full-time, year-round jobs. Displaced homemakers in all racial/ethnic groups were more likely to hold part-time or seasonal full-time positions than year-round, full-time jobs.

"In addition to the skills developed in raising children and running a household, displaced homemakers are likely to have some paid-work experience."

Educational levels among displaced homemakers have increased during the last decade—particularly among midlife women—but nearly 40 percent have less than a high school education. Among midlife displaced homemakers: 24.4 percent have some college education; 36.4 percent completed high school; 6.8 percent completed eighth grade, but did not graduate from high school; and 12.4 percent have less than an eighth-grade education. Among displaced homemakers over the age of 65: 16.5 percent have completed some college; 31.5 percent have a high school diploma; 34.4 percent completed eighth grade, but did not graduate from high school; and 17.7 percent have less than an eighth grade education.

Midlife and older displaced homemakers of color are not likely to have as much education as white women. Among midlife ethnic or black displaced

homemakers: 68.9 percent of Hispanic, 52.0 percent of black, and 54.8 percent of displaced homemakers from other races have not completed high school; compared to 29.1 percent of white displaced homemakers. Older ethnic or black displaced homemakers have the least education: 78.5 percent of Hispanic, 75.7 percent of black, and 57.1 percent of displaced homemakers from other races have less than a 12th grade education; compared to 48.0 percent of older, white displaced homemakers.

Poverty strikes midlife and older displaced homemakers hard. In 1989, 62.8 percent of midlife displaced homemakers had incomes below or just over the poverty line, while 53.0 percent of older displaced homemakers lived in or near poverty. Among ethnic or black displaced homemakers aged 45-54 years old: 58.2 percent of Hispanic, 60.3 percent of black, 73.0 percent of those from other races, and 40.0 percent of white women lived in poverty. Another 12.8 percent of Hispanic, 17.5 percent of black, 4.0 percent of those from other races, and 16.4 percent of white displaced homemakers had incomes that bordered on poverty. While 46.4 percent of older, white displaced homemakers were poor, or near poverty, 68.1 percent of Hispanic, 76.2 percent of black, and 50.5 percent of displaced homemakers of other races had inadequate incomes.

Displaced homemakers experienced a dramatic change in their living arrangements during the last decade. The number of displaced homemakers and their families who shared housing with unrelated families increased by 43.3 percent, while the number of individual displaced homemakers who shared housing with other unrelated people grew by 52.7 percent. Home ownership declined slightly among displaced homemakers during the 1980s. While most widows own their homes, nearly two-thirds of separated or divorced women lose home ownership and become renters when their marriage is disrupted.

The More Things Change (1990) also found a startling increase in the single parent population over the past decade. During the 1980s, the single-parent population grew by 80 percent to 5.8 million. These women make up two distinct categories: those who have never been married and who work full- or part-time, and those who are widowed or divorced and work full-time. Midlife and older women make up 10 percent of the population, roughly 580,000 women. The proportion of single parents who are ethnic or black is roughly double that found among displaced homemakers. Among those aged 45-54, 60.2 percent are white, 11.2 percent are Hispanic, 22.3 percent are black, and 6.3 percent are other races. Among those 55-64 years old, 50.1 percent are white, 19.0 percent are Hispanic, 28.5 percent are black, and 2.3 percent are other races.

"Over 8.4 million older women—the majority of women over age 65—rely on Social Security as their principal source of income."

Single parents aged 45-54 have achieved higher educational levels than displaced homemakers: 33.4 percent had some college; 41.8 percent had graduated

from high school; 18.21 percent had completed eighth grade, but not graduated from high school; and 6.6 percent had below an eighth grade education. Single parents between the ages of 55-65 do not have as much education as those ten years their junior. Of these women, 21.8 percent had some college; 35.4 percent had a high school diploma; 26.2 percent had at least an eighth grade education, but had not graduated from high school; and 16.6 percent had not finished eighth grade.

"Businesses will be able to satisfy their labor needs only if they...actively seek to bring individuals presently on the margins of the workforce into the corporate mainstream."

Midlife single parents have high labor force participation. In 1989, 91.6 percent of all single parents aged 45-54 years worked full-time in year-round jobs, 2.7 percent worked full-time in seasonal positions, 0.5 percent worked full-time in part-year jobs, 0.6 percent held part-time, part-year positions, and 4.6 percent were not employed. Single parents aged 55-64 have similar work patterns: 91.4 percent work full-time, full-year; 0.9 percent work part-time for the majority of the year; and 7.6 percent are not employed.

Unlike displaced homemakers, midlife single parents are more likely to have incomes that are at least 150 percent above the poverty line. Among single parents between the ages of 45-54 who are primary family heads: 11.5 percent live in poverty, 15.9 percent are living just above poverty, and 72.6 percent have incomes 150 percent above the poverty line. Among women aged 55-65: 15.7 percent are in poverty, 8.4 percent are near poverty level, and 75.9 percent have an income at least 150 percent of poverty.

The More Things Change (1990) paints a grim picture of disproportionately high rates of poverty, unemployment, and doubled-up housing for displaced homemakers and single parents. The Older Women's League (1988) has found further that midlife and older women's earning power does not grow with age, and lower wages during their working lives mean lower retirement incomes than men. Currently, only 22 percent of women over age 65 receive income from pensions. In 1986, those women who did receive pensions received an average monthly benefit of $365—only 59 percent of the $615 average monthly benefit received by men. Women's average monthly Social Security retirement benefit in 1985 was $399, compared to an average monthly benefit of $521 for men. Over 8.4 million older women—the majority of women over age 65—rely on Social Security as their principal source of income.

At the same time that midlife and older women are scrambling to find work to support themselves and their families, American businesses are beginning to experience vast changes in the demographics of the workforce. We know from *Workforce 2000* (1987) projections that traditional labor pools are shrinking and the workforce of tomorrow will be characterized by scarcity, skills deficiencies, and

demographic diversity. The overall number of new entrants to the workforce is expected to decrease by eight percent and will increasingly be comprised of mature women and minorities. Specifically, projections show that during the next decade, the number of people aged 35-47 will increase by 38 percent and the number of people aged 48-53 will increase by 67 percent, compared to an overall population growth of 15 percent. Minority workers are expected to account for one-third of all new entrants to the workforce—twice their current share. These workers face significant hurdles to their full and effective participation in the workplace. Businesses will be able to satisfy their labor needs only if they successfully confront these barriers and actively seek to bring individuals presently on the margins of the workforce into the corporate mainstream. The most successful companies will be those that creatively learn to tap the skills and talents of midlife and older women, as well as minority workers.

Midlife and older women present a unique resource for business. Employers who have hired these women find them to be hard-working, receptive to new ideas and ways of doing things, quick to learn, and interested in growing with the company. The National Commission on Working Women of Wider Opportunities for Women (1990) has reported research findings that dispute the myth that older women are difficult to train and have trouble with new technology. The Commission reports that women workers in their 50s and 60s function intellectually as well as or better than women in their 20s and 30s. Research (POWER, 1989) has also shown that women workers have a strong attachment to the workforce: women over age 45 average 9.4 years in one job, compared to women ages 25-34, who average 3.1 years, and women ages 35-45 who average 4.9 years. In addition, corporate studies have demonstrated that older women workers are more dependable, have better attendance records, and are as productive as younger women employees. Employers need not fear higher health insurance costs from older female employees: 90 percent of companies report that health insurance costs for older women workers are no greater than for younger women workers.

Displaced homemaker programs are equipped to help employers recognize the special skills and talents displaced homemakers have learned in their years of managing households, as well as the special qualities that make other midlife and older women valuable employees. Displaced homemaker programs can also help businesses train midlife and older women to become productive and efficient workers. With job training, education, and supportive services, midlife and older women can fill the need for responsible, dependable workers and ensure that American businesses remain competitive well into the next century.

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U.S. Labor Market Trends and Prospects for Older Workers

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Over the next ten years, an estimated 21 million new jobs will be created in the American economy, the vast majority of them in the service sector. In addition, the good old days of American economic hegemony are gone, with competition among nations having replaced competition among industries based in, and in some sense responsible to, the United States.

In short, we are entering a period when we will need the talents and experience of everyone, including, in particular, our older citizens, people with disabilities, and all those who have until now been rendered marginal to the productivity and competitiveness of the economy. But we haven't given up some old ways of thinking. While the United States has decisively entered the post-industrial era, we are still poised at an awkward juncture in our attitudes and stance toward nontraditional workers. A sizable subcategory of this group is older workers.

Part of our older worker schizophrenia arises from the fact that what's best for the American economy overall may not appear to be in the best interests of individual American workers, as they assess their own preferences. Everybody appears to be in favor of keeping older people in the labor force except unions, government, business, and older people.

People *want* to retire, as soon as they are able to, if not before. Most people don't have fascinating jobs where they are challenged every day; where they can come to forums such as this one and exchange ideas; or where they can do the kinds of work they would probably choose as an avocation.

Early Retirement

Workplaces and employers are ambivalent toward aging employees, and organizational policies motivate older workers to leave. Being an older worker in many organizations also means being vulnerable and insecure. It means being offered early retirement incentives, being encouraged to take regular early retirement, or being nudged into nonessential positions.

Early retirement incentives can be a humane way to accomplish necessary reductions in force. If layoffs are to occur, subsidizing the retirement benefits of eligible employees will greatly increase

their potential well-being relative to the alternative. Yet, early retirement incentive plans can subtly promote the notion that older workers contribute less than younger ones, and that the cost-to-benefit ratio of their continued employment compares unfavorably with that ratio for workers of other ages. Such plans can also reduce motivation for workers who are a few years younger, suggesting that they can look forward to similar treatment, and possibly instilling attitudes inimical to best performance.

The most serious societal problem represented by early retirement incentive plans is that—in American firms and in American society as a whole—they epitomize a persistent disregard of the problems presented by an aging workforce and population. Early retirement, as a human resources management tool, creates a situation that is in direct contradiction with good policy. It reinforces economic pressures arising from:

- the increasing life expectancy of Americans who are living those additional years in good health status,
- strains on public and private retirement systems, and
- an increasingly rigorous global competition that calls for the best possible use of our human resource assets.

This is not to suggest that the majority of Americans have any real choice about whether to continue working. Those who receive sweetened early retirement offers, for example, are among the "pension elite." Early retirement or even any kind of planned retirement is not an option for large numbers of Americans. Many are forcibly, prematurely retired by mergers, bankruptcies, downsizing, and plant closings. This issue will be increasingly important for the U.S. economy as the baby boom generation enters its retirement years in a couple of decades. That generation is supported by a working cohort that not only is considerably smaller, but that present trends suggest will be ill-prepared to fill the high-technology jobs the economy is creating.

Who Are the Older Workers?

Depending on the context, the study, or the researcher, an "older worker" can be someone 74 or someone 47—just two years older than the senior members of the baby boom. One is legally protected from age discrimination at age 40, while impressionistic evidence suggests that 45 (for women) and 50 or so (for men) are the approximate ages where perceptions of discrimination begin. It is at these ages when careers have typically plateaued, and when the job search period begins to lengthen perceptibly.

Included in the older worker definition are such diverse groups as displaced homemakers; people reentering the workforce after being retired for a number of years; midlife career changers; workers dislocated by plant closings; workers in post-career jobs; people employed part-time or temporarily, by choice or necessity; workers who may or may not be collecting Social Security or pensions; and so forth. People in these categories may be motivated by quite different aspects of employment.

So no single homogeneous group can be tagged "older workers." But we *can* identify some basic factors in meaningful work for people of all ages. These include, among other things:

- advancement opportunities,
- some minimal degree of job security,
- task design and job responsibility that accord with remuneration,
- reward systems that are perceived as equitable,
- access to training and skills upgrading, and
- employee benefits that allow workers flexibility to look after their families.

While individuals will have differing preferences and will emphasize some of these factors over others, none of them is unique to a particular age group.

If we construct a profile of the "typical" older job seeker, he or she is someone looking for a close location, benefits, possible advancement, a comfortable work setting, the opportunity to feel needed and valued, and a flexible schedule. With the possible exception of the preference for flexibility, these preferences sound like what the rest of us look for in a job as well.

Broad *differences* can also be drawn between older and younger workers in the aggregate. Older workers are more likely to require or appreciate some accommodations to physical limitations, although with health status improving markedly over time, this is less likely than in decades past. Job restructuring might be necessary to allow part-time work, job-sharing, flextime, home work, and phased retirement. If they work part-time, older workers want prorated benefits, the most popular being medical and life insurance, sick leave, and paid vacations and holidays.

Older workers do present some unique challenges that younger workers do not. The primary one is that, to the extent that older workers seek flexibility, they confront managements that are typically unsure of how to manage nontraditional workers—part-timers, job-sharers, people working seasonally, and so forth. Also, in the United States, union leaders have traditionally expressed reservations about any but full-time, year-round workers because they fear such groups could threaten or dilute the power of organized labor. Historically, part-time workers have found that they lack clout and responsibility in their jobs.

In addition to the unique requirements just mentioned, older workers may need training programs that are adapted in method, style, and instructional tools to their particular needs. Finally, other concerns might include transportation as well as employing human resource personnel who are knowledgeable about the special questions that older workers have (for example, the effect of earnings on the receipt of Social Security benefits).

Best Practice

Some U.S. corporations are tailoring programs specifically to the circumstances of older individuals. Many of these are essentially transition-to-retirement programs for long-established workers; or, firms in cyclical industries may rehire retirees as consultants during periods of peak demand. Job redesign to de-emphasize physical labor is also relatively

common, although over time an ever smaller proportion of jobs are physically demanding. However, relatively few employers are designing jobs specifically to attract new older workers.

Considerable reluctance remains about doing more than paying lip service to the value of such workers. Human resource managers point out the potential downside of having many senior employees:

- ambitious young hotshots may get frustrated,
- managers may feel uncomfortable directing subordinates considerably older than themselves, and
- efforts to recruit and retain older workers may encourage weak performers to stay along with the rest.

Such observations may help to explain why there are so few older worker programs. The Conference Board (Axel, 1988) estimates that only one large company in a hundred is doing anything substantial to accommodate older employees. Programmatically, smaller firms do even less, although older workers are probably more likely to "find their niche"—and all workers are probably more likely to be treated as individuals—in smaller businesses. Additionally, most of the available options are open only to an occupational elite, those whose particular skills and training are especially in demand. Right now, that includes scientists and engineers, skilled craftsmen and machinists, and many of the traditionally self-employed trades such as heating specialists, plumbers, and electricians.

Public Policies Influencing the Decision to Continue Working or to Retire

Changing demographics, tightening labor markets, anticipated skill shortages, and large pension liabilities are forcing a reexamination of public policies to see whether they enhance or inhibit older workers' labor force participation. Fifty percent of American workers are fully retired before age 65, and many have reduced work hours to a part-time status at younger ages. This fact, when coupled with projected shortages in a broad range of critical skills and occupations, means the economic health of the United States *requires* that we devise effective adaptations to new labor market realities.

A wide range of public policies affect both the decisions of employers to offer the kinds of job opportunities older workers seek and the decisions of individual older workers about the nature of their labor force attachment.

The Age for Receipt of Social Security

Clearly, the age of qualifying to receive social insurance benefits will affect the timing of retirement. The 1983 Social Security Amendments scheduled a gradual rise to 67 of the age for receiving full benefits, beginning in the year 2003 for those born in 1938 and after.

Under present law, the age of eligibility for reduced benefits will remain 62, although there will be a 30 percent reduction at that age as compared with today's 20 percent. Available evidence suggests that while Social Security eligibility does not cause large drops in

Americans' *average* retirement age, it *does* cause significant clustering of labor force withdrawal around the age cutoffs of 62 for early retirement and 65 for normal retirement.

Four out of every five applicants for initial Social Security benefits are between 62 and 64. In light of substantial gains in longevity in the half-century-plus since the age of 65 was first established, a further raising of the full-benefit retirement eligibility age is probably inevitable; and the age for receiving reduced benefits will no doubt be raised beyond 62. These occurrences are all the more likely in view of the very large strains on public and private pension systems that will be generated by the retirement of the baby boom.

Such changes are not particularly onerous for many, but they could penalize some of society's less fortunate members. This will be the continuing challenge: how to cushion people whose health has deteriorated beyond the point of gainful employment—including those whose work lives have rendered them disabled in one way or another—as well as those who have always had difficulty finding employment at decent wages.

The Social Security Retirement Test (also known as the "earnings limit")

The purpose of Social Security has always been to put a floor under income lost due to retirement, disability, or death. There is considerable debate about the impact of the earnings limit on the labor supply of people eligible to receive benefits. Certainly it creates some disincentive.

Some people are under the impression that they may not earn any more than the limit; and many older workers who prefer part-time work are inclined to work up to the annual limit and then stop working until the next year.

This is an issue that is more talked about than real. Although such work disincentives undeniably interfere with the smoothly functioning labor markets economists so admire, substantially raising the limit or eliminating it, as some advise, turns Social Security into a prize for turning age 65. The greatest beneficiaries of earnings test liberalization would be doctors, lawyers, highly paid consultants, and others of the labor elite. This will eventually be a moot point because of the scheduled increases in the Social Security delayed retirement credit.

Pension Coverage

In the United States, early-retirement pension incentives are widespread and can be extremely large. These often have a greater influence than Social Security on the work-retirement decision. Research indicates that in defined-benefit plans, the total inflation-adjusted value of the pension reaches a maximum value well before normal retirement age, and therefore encourages early labor force exit. A recent study showed that the present value of total future benefits for a person who continues to work until age 68 is only 90 percent of that for the person who retires at age 60.

On average, people covered by defined-benefit plans, who start jobs at age 25 and continue to work past 65, suffer a penalty in foregone pension wealth equal to at least one-fourth of their wages. A case

study of one American firm found what we can only hope is an extreme example. The study found that for 54-year-old managers with 25 years of service, the addition to pension wealth for remaining with the firm one extra year was $72,500; but for their colleagues aged 65 with 30 years of service, it was a negative $14,900 (Kotlikoff and Wise, 1987).

Nothing prevents employers from actuarially increasing the benefits paid for work after normal retirement age, but as yet few of them do so. As older workers are made more valuable by the changing demographics of the workforce, the incentive structure of pension plans can be expected to change to counteract earlier retirement trends. Federal laws mandating such adjustments have a surface appeal, but because private pensions are voluntary arrangements in the United States, greater federal oversight could jeopardize employers' willingness to sponsor pension plans.

Unemployment Compensation

Because of the typically meager benefit amounts and limited duration of unemployment compensation, its role in the work-retirement decision is smaller than in most developed countries. In all but six states, applicants for unemployment compensation are disqualified if they seek only part-time work. This has an obvious impact on older workers, of whom part-timers represent the most rapidly increasing group. According to the Department of Labor, people 55 and over now make up 19 percent of the part-time labor force (Bureau of Labor Statistics, 1990), and about one-half of workers 65 and older are part-time.

Another issue is the requirement that states include in their unemployment insurance laws a provision that will reduce an individual's weekly benefit amount by the amount of any pension, retirement pay, annuity, or other payment the claimant receives based on previous work. Retirees complain about losing this dual source of benefits, but adjusting the pension offset could introduce a new disincentive to hire older workers by increasing unemployment insurance charges to employers.

Health Insurance

The availability of postretirement health benefits clearly is a factor in the decision to retire before the age of eligibility for Medicare. But current retiree health plans involve huge unfunded liabilities that stand to place large burdens on both employers and younger workers.

Some firms are cutting back on their coverage and/or increasing copayments and deductibles; a few are contemplating terminating retiree health benefits altogether, and many are expected to do so for future retirees and/or their dependents.

Some Continuing Concerns

As we try to facilitate the adjustment to an older workforce, we should keep in mind that the projected shortage of younger workers does not automatically mean jobs for older workers. A variety of cultural and institutional obstacles need to be overcome for older workers to be placed on a level playing field.

First, a two-tier economy is developing in the United States. There is a preponderance of high-paying and low-paying jobs, but mid-level jobs—the sort that gave the country its strength and competitive flexibility—are becoming relatively less numerous. Older workers could be caught in the squeeze caused by competition for jobs in this mid-level entry range.

Second, the trend toward increased flexibility in the use of the labor force carries with it the risk that such flexibility—which is in part due to the relative decline in the influence of organized labor—can tend to marginalize older workers and make it even easier to weed them out. While American unions have never been particularly pro-older worker, they have made it possible for the rank and file to retire in some degree of comfort. Workers negotiating on their own account often do not fare as well.

"[T]he projected shortage of younger workers does not automatically mean jobs for older workers."

Third, employer apprehension about the increased cost of providing benefits to older workers is being used as a reason for not hiring them. Business executives tend to believe that older workers are likely to increase health care costs more than younger workers do. This issue has not been examined as carefully. Certainly, on average, people require more medical services as they age, but older workers' health costs usually do not include providing medical care for children. If we could make headway against rapidly escalating health care costs generally, older workers' employment prospects would be given a substantial boost.

It would also help to eliminate the requirement that Medicare be the secondary payer of insurance claims for older workers in firms offering health insurance. At the time this policy was implemented in 1986, many employers claimed it would bias them against hiring older workers because insurance costs would increase for those 65 and older. The primary purpose of the policy was to reduce federal Medicare expenditures without shifting the cost onto beneficiaries. However, if the provision discourages the employment of older workers, the net effect to society could be negative. The ratio of retirees to active workers will be higher than otherwise, and Medicare costs will increase anyway.

Fourth, training is a key element in the successful integration of older workers into the labor force. Because older workers today are typically further removed from formal training than younger workers, they are perceived as presenting some special problems in the training arena.

Older people can learn as effectively as younger people, but they do not necessarily learn in the same way. For example, many older workers find formal classroom settings uncomfortable; hands-on approaches work better for them than lecture formats. Further, training programs tailored to older employees are most effective if offered as a component of general training programs open to workers of all ages—removing the possible stigma attached to

attending sessions that single out older employees.

Also, by getting input from employees, companies can build training programs that meet their needs. Over time, as continual skills upgrading becomes the norm, there will doubtless be less "fear of training" on the part of employees as they age.

Because training potentially can involve considerable costs and provides benefits that are both social and individual, there is a role for the federal government. At a minimum, the government could fund research and make information available to employers about "what works" and "how to" provide training to older workers. The Department of Labor's Apprenticeship 2000 initiative is beginning to address some of the critical issues pertaining to older workers, but so far the American record has been more talk than action.

"[T]he days are over of companies being able to cream the country's labor pool for the very best candidates, and being able freely to pick and choose."

Fifth, while it is possible that the pace of industrial restructuring of the 1980s could be maintained in the 1990s and beyond, it is also likely that the long-term trend in corporate downsizing will level off. As one wag has noted, "No business enterprise can succeed by subtraction alone."

A return to greater employment stability would be a boon to workers, because work is the source of so many things in this country in addition to current income. It is through employment stability that people get retirement security, access to health care, and self-esteem. Government should work with employers to develop innovative policies that minimize the extent to which older workers and reluctant retirees are penalized for work disruptions that are beyond their control.

Sixth, we must get beyond the infatuation with "McJobs" for older workers. A patronizing attitude has developed in the United States that masquerades as compassion toward the elderly. It shows up when companies like McDonald's get widespread favorable publicity for hiring older workers for menial jobs. There *can* be benefits to both sides from such arrangements, but we short change older workers when we expect them to look for the kind of work they had as teenagers.

Entry-level jobs in food service, hotels, and retailing are simply not what many older job-seekers have in mind. Employment specialists can place any applicant at Wendy's or True Value Hardware; but professional employment of older workers is another matter, even for those with advanced degrees. Companies need to be encouraged to find legitimate ways to use all workers to their fullest potential.

Seventh, ways need to be found that allow workers of all ages greater flexibility. Both the aging of the workforce and growing workforce participation rates of women with children make this essential. Few American workers appear to be able to reduce the intensity of their work commitment while remaining on career jobs, but we only vaguely understand why

this is so. And we do not really know whether this inflexibility might speed ultimate labor force withdrawal.

At a minimum, we need family and medical leave protections to ensure that workers will not lose their jobs because they must tend to their families. Adequate day care, for the old and young alike, would enable greater peace of mind and enhanced productivity for working people. To those who say we cannot afford it, I say we cannot afford our present course. Countries whose economies are out-competing ours have far more in the way of a social safety net in place, which allows those economies to get the most out of the efforts of both those who wish to work and those who have to.

Conclusion

In light of a relative shortage of skilled workers, the days are over of companies being able to cream the country's labor pool for the very best candidates, and being able freely to pick and choose. Yet, we seem so far to be largely content to postpone exploring new forms of work and routes to productivity that will inevitably be needed. It seems clear that companies are going to have to spend more time and money training workers they do hire, of any age. As a society, we seem to assume that we can let people just go stale in peace and then turn to younger people.

Ken Dychtwald, author of *Age Wave* (1989) and a consultant to corporations that hire older workers, says there is a huge wall of prejudice and myth about older workers, and they are just not as attractive to firms as younger employees. Helen Dennis of the University of Southern California's Andrus Gerontology Center has noted that Willy Loman becomes hopelessly out of date because corporations often encourage that process.

Businesses and governments of all countries with rapidly aging populations and workforces have their work cut out for them. I do not think I am being a Pollyanna in regarding the next two decades as a unique—and extraordinarily large—"window of opportunity." The baby boom generation is aged 27-45 this year, and is entering its peak earning years. The proportion of the population reaching retirement age between now and 2010 will be relatively small, owing to the low birth rates in the years of the Great Depression and World War II.

America must begin to address its pressing labor force needs. Most important is the state of our educational system, which is a national disgrace. That late, great cartoon character and political commentator, Pogo Poole, was right when he said, "We have met the enemy and he is us." But when it comes to the issue of how the nation can both do well and do right by older workers, I believe Pogo was equally correct in saying, "We are overwhelmed by insurmountable opportunities."

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INNOVATIVE PROGRAMS FOR OLDER WORKERS AT A TIME OF LABOR FORCE UNCERTAINTY

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A tremendous uncertainty about the future is associated with workforce demographics and where they may be leading the country. My remarks will suggest that the relationship of older workers to the labor market is not predestined. As advocates for older workers, as government representatives, as employers, as union officials, we all have an opportunity to influence perceptions about older workers and their involvement in society.

A review of recent news stories illustrates ways in which older workers are both needed and utilized by industry, and suggests barriers to their future employment. In an article that appeared earlier this year in the *New York Times* (February 25, 1990), Rosemary Scanlon, the chief economist of the Port Authority of New York/New Jersey, said her research showed that by the year 2000, available jobs will outstrip available workers by 120,000 in the New York City area alone. A February, 1990, article estimated that worker shortages are already taking a toll. A survey of 190 companies in the Washington, D.C.-Boston corridor and on the West Coast found that 11 percent of the firms actually had to change locations because of labor force problems. They weren't finding enough workers.

Yet, recent reports also have indicated that we may be in a recession. Unemployment has crept up two-tenths of a percentage point since June of 1990, and layoffs continue at full force. For example, General Motors recently announced that 60,000 of its workers will be retired over the next three years.

A recent *Wall Street Journal* article (October 4, 1990) focused on how layoffs are affecting increasingly younger workers. The story's headline was "Layoffs This Time Hit Professional Ranks" and subtitled "Instead of People in Their Fifties Many Baby Boomers Are the Ones Getting The Ax."

An October 1, 1990, *Business Week* article is titled: "This Time the Downturn is Dressed in Pinstripes." The story reported that of the 485,000 workers who lost their jobs between August, 1989, and August, 1990, 65 percent were managers, professionals, and clerical workers. According to that article,

> [g]enerous severance and early retirement packages have so far cushioned the overall economic impact of white collar layoffs. With companies offering as much as two

> years severance pay, out-of-work managers and professionals have not had to cut down on spending that much. But the payments are getting slimmer and each new wave of white collar layoffs is causing more pain (Mandel, 1990, 130).

The story cites Virginia Lord, an official with a Philadelphia-based outplacement firm, who reports that the size of the average severance package for job seekers and financial services had shrunk from 22 weeks in 1989 to only 18 weeks in 1990.

Companies also are not as generous in their retirement incentive programs as they were in the 1980s. The *Business Week* story reports that when Digital Equipment Corporation eliminated 3,000 jobs in a voluntary severance program in 1989, the company offered a minimum of 40 weeks pay. Now Digital is trying to cut 6,000 more jobs, but the minimum severance payment for low-seniority workers has been slashed to only 13 weeks.

So while we have had early retirements in the past that basically permitted an older worker to continue a comfortable lifestyle, this is changing. Not only the lower-income older adult is at risk now, but middle and senior level managers of all ages are also vulnerable.

"[W]hile we have had early retirements in the past that basically permitted an older worker to continue a comfortable lifestyle, this is changing . . . middle and senior level managers of all ages are also vulnerable."

New Opportunities for Older Workers

Let's continue our look at press stories as a way to identify emerging demographic and labor force trends. Another article worth noting appeared in the June 20, 1990, *Wall Street Journal* and was entitled "More Alternative Paths Lead to Teaching Jobs." This article recounts how different communities are responding to the challenge of teacher shortages. According to a study released by the National Center for Education Information, the number of states with alternative routes for certifying teachers is growing, but few states focus on recruiting older educated adults with experience in other fields (*Wall Street Journal*, June 20, 1990).

The labor letter in the October 2, 1990, *Wall Street Journal* reported that school officials in White Plains, New York, are teaming up with Westchester County Community College to train retirees with college degrees to work as substitute teachers. And Motorola has announced a program that involves retired employees as teachers at their training institute.

Worker scarcity is occurring in a number of fields, and not just for teachers and entry-level service employees. Shortages exist in engineering, for example. In the late 1980s, Hughes Aircraft, a subsidiary of General Motors, started a program to encourage its retired engineers to come back to work because the company was experiencing problems recruiting and retaining experienced engineers. Travelers

Insurance also has just announced that this year it will save $3 million by using its own retirees in clerical and other positions rather than using temporary employees.[1]

The Days Inn older worker story is particularly interesting because the decision to use older workers extensively not only influenced their recruitment strategies, but the firm also determined its marketing and construction decisions due to demographic issues. Days Inn decided to locate a registration center in Knoxville, Tennessee, because the surrounding community was a superb source of retired employees.

Community Partnerships

Business has the great opportunity to develop programs in conjunction with community-based institutions. In 1990, the Department of Labor developed an awards program called Lift (Labor Investing For Tomorrow). The program recognized employers that have developed innovative programs to match their employment needs with those of the community. One of the awards went to Portland Community College for a program called "Building Futures in Industry." The program was specifically designed to help displaced homemakers: it fills the "skills gaps" typically faced by women without work experience through immersion courses in everything from electrical wiring to physical fitness and career planning.

One program participant, Catherine Settle, was quoted in a *Wall Street Journal* story (September 21, 1990) about the program. She entered the program, she said, because her husband had recently left her after 34 years of marriage, and she found herself thinking about how she would earn a living. The *Journal* article noted that although she had not had a job in 26 years, she thought the training program would help her acquire skills to be a residential construction contractor, thus using previous experience she had from helping to build and renovate houses. The article reported that Mrs. Settle is now pursuing an Associate Degree in Building Construction Technology. She says that the training program was invaluable in helping her reach her goals.

One of the messages of this conference, I hope, will be that these are the kinds of innovative programs that we as a society have to develop. And employers have to get behind this effort if we are going to meet the needs of this aging workforce and a growing population of displaced workers. There is a tremendous need and opportunity to develop creative programs in society to address these issues.

One program with this goal was a joint effort in 1990 of the Washington Business Group on Health and the U.S. Administration on Aging. This program, entitled "Partnerships in Aging," provided seed grants to community agencies to work with business on expanding employment opportunities for older workers, among other goals. The Ann Arundel County Area Agency on Aging in the state of Maryland received one of the grants to train older clerical workers in computer and related skills and place them in

[1]Editors' Note: The Travelers Companies has recently merged its retiree job bank with TraTemp, a service tapping workers regardless of age.

seasonal jobs with the Maryland State Assembly. This program will provide new roles for older adults, show government first-hand the value of older workers, and possibly influence some of the legislators' future decisions.

Conclusion

The demographics discussed at this conference present conflicting information on the demand for older workers. We must develop alternative job training, job redesign, and recruitment programs to make the fit between those older workers who want or need to return to work and those industries that need them. Society must be very creative in this endeavor. Groups such as those sponsoring and attending this conference can be effective in taking this message back to their constituents.

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SECOND CAREERS: NEW CHALLENGES, NEW OPPORTUNITIES

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I want to tell you about my "careers" and the experiences of several peers who have worked past normal retirement ages. Also, I will take a brief look at future trends.

I began my first career as an accountant for Westinghouse Electric Company. This career was short-lived because of World War II. After the war, I continued in the Army for 26 years. In the military services, you can retire voluntarily after 20 years and receive half of your base pay. I elected to retire.

My reasons may be applicable to other people who are taking early retirements. Promotions were remote and pay increases unlikely, since my pay grade topped out at 26 years. I also wanted to start a second career before the age of 50. I felt that I would be more marketable if I could say, "I'm not yet 50."

Others who accept early retirement do so for many of the same reasons. The early retirement financial incentives provide a security net while leaving one the time to carefully explore second career opportunities without overwhelming financial pressures.

Many workers are forced into retirement in their early 50s by corporate restructuring or other causes. There was an article in *The Washington Post* (August 29, 1990) called "Fifty-Something Workers In The Twilight Zone." The "Twilight Zone" was defined as being between 50 and normal retirement ages of 64 or 65. The *Post* reviewed a study by the Commonwealth Fund of New York (McNaught and Barth, 1990). This study reported that one third of American workers will leave their jobs by age 55 and nearly half will leave by age 60. Most workers are not aware of this trend, and fewer are prepared for it.

The Fund survey also reported that when the "ax falls" many displaced workers do not return to the workforce. The study estimates that two million older Americans who are currently not working would be willing to return to the workforce.

There are many reasons for seeking a second career. Let me talk about a couple of them. Government workers and others are not eligible for Social Security. My brother Fred worked in a Navy shipyard for 30 years. He retired at age 55. Even though he had a government pension, he was not eligible for Social Security. So he continued to work at a post-career job until he became eligible for Social Security. He retired from his second career at age 62.

To maintain health insurance is another important consideration, especially if you are without Medicare. Health care costs are increasing at almost twice the rate of inflation, measured by the Consumer Product Index (CPI). Health care insurance is less expensive and often more comprehensive when it is available through group health plans offered by employers.

There are psychological benefits to working. Many people are workaholics. They would not know what to do with their time if they were not working. A friend of mine worked in the Office of the Assistant Secretary for the U.S. Department of Transportation. While he was working for the Department of Transportation, he was a senior manager and well-respected by his co-workers and supervisors as well. After retirement, he cut himself off from his former colleagues. Even his friends could not get him to go to lunch. He died within 18 months of retiring.

"Many early retirees cannot maintain their lifestyle on their retirement income during the 'Twilight Zone' between retirement and where Social Security kicks in. Few will have savings to maintain their lifestyles even with Social Security."

Others want to start their own business. They are tired of working for somebody else. A former Army associate and his wife returned to a family homestead in Massachusetts. He decided that he would start a blueberry business. They now have a booming and profitable business. He's about 72 and still working hard and enjoying his lifestyle on the family farm. One of his main considerations was financial.

Many early retirees cannot maintain their lifestyle on their retirement income during the "Twilight Zone" between retirement and when Social Security kicks in. Few will have savings to maintain their lifestyles even with Social Security.

Let's consider a hypothetical case about Joe and Jane, who are over 55 and plan to retire at age 65. Their annual income is $50,000. In ten years, with an estimated cost-of-living increase of 5 percent per year, this same couple would be earning $74,000 per year, assuming their salary keeps pace with the cost of living. Assuming that they could live comfortably on 80 percent of their preretirement income, they would need approximately $60,000 per year to maintain what they would consider a "comfortable standard of living" for up to 20 years. If Social Security and pension income equals $30,000 a year, they would need to secure an additional $30,000 a year. To provide that annuity for 20 years, they would need to accumulate $295,000 by the time they retire. To do that in ten years requires them to save $19,500 a year, assuming that they can earn nine percent on their savings. Their annuity should be structured to keep pace with inflation. An extended period of inflation, even at four to five percent per year, can seriously erode the real value of a fixed payment annuity.

According to *The Washington Post* (August 29, 1990), one employment barrier for those "40-something" is that they often insist on being hired for a job similar to the one that they left. Generally, that is unlikely to happen. Second careers may require new training. Either on-the-job training or going back to the classroom may be necessary.

When I joined Operations Research, a consulting firm specializing in defense and transportation contracts, I was not sure what Operations Research was. I did know that I needed to update and upgrade my skills. I attended classes and earned a college degree in studies that improved my career options in Operations Research. Getting this degree took me about four years because I took courses at night.

Many of my peers did not pursue classes, because they had been out of a classroom for several years. Many of them prefer on-the-job training or short courses. One retired friend took real estate licensing classes. Others have taken training to become stockbrokers. Another decided that he did not want a leisurely retirement. So he took busdriver training. He got a license to drive an interstate bus. He now drives between Richmond and New York and Richmond and Raleigh. What does he say about his second career? "I'm happy doing what I'm doing."

Like my friend, I enjoy my third career. Why? I have other postretirement benefits. I get 30-days of vacation a year. I like the job because it has national significance. I like my co-workers and managers. I am in good health. I figure that I can postpone traveling and other leisure activities for another few years.

Working in several careers is probably the trend of the future. In their book, *America in the Global 90s*, the Kiplingers (1989) state that the present trend toward early retirement will probably continue, but increasingly this will mean from first careers. They say the broad trend is toward more years of work, albeit with different employers.

The low birth rate of the 1970s in the United States means a smaller proportion of young adults in the 90s. There will be fewer young people entering the labor force. As the growth of the labor force slows and companies run short of skilled help, older persons will be recruited for both full- and part-time work.

Beyond the 90s, people will have to keep working for another reason: there is concern that fewer workers will be available to support the growing proportion of retirees, and, consequently, there will be a strain on Social Security and Medicare funding. The oldest of the baby boomer population, those born between 1946 and 1964, will turn age 65 in 2011. However, before then, there will be proposals to raise the "normal" retirement age to 70 or higher by delaying eligibility for Social Security benefits.

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CONTINGENT WORK OPTIONS: PROMISE OR PERIL FOR OLDER WORKERS

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Yesterday, I was in a meeting with European and American labor economists discussing the changing workforce and work place. Global competition which has been dramatically evident the last four or five years, was a prominent theme. In nearly every speech by a politician, a business person, or a commentator, global competition is being discussed as if it were a recent development.

I mention it because I think global competition now matters to us not because it is such a new phenomenon, but because we are suddenly losing the competition for the first time in our history. Economically, we are now losing in market after market. We are losing in markets that we have long dominated—some, like the automobile, since their creation. So suddenly, the question is very compelling. Against this backdrop, the phenomenon of contingent work has emerged.

"Contingent worker" is a term that encompasses part-time, temporary, and independently contracted workers. This portion of the workforce has grown twice as rapidly as overall employment growth in the last decade. Depending on which numbers you choose to believe, we now estimate that contingent workers make up between a quarter and a third of the American workforce. The relationship is not accidental between the intensification of competition and the emergence of these jobs, which typically pay less and have few or, in many cases, no benefits. They frequently are designed to provide little transition into the regular workforce and, typically, have few training opportunities.

A Washington, D.C., economist, Rick Belous at the National Planning Association (NPA), has written an excellent book called *The Contingent Economy: The Growth of the Temporary, Part-time, and Subcontracted Workforce* (1989). He includes 25 to 30 case studies of individual firms that have designed what they call "core-ring employment strategies." The core-ring strategy is a very simple one—a core of full-time workers surrounded by a ring of part-time, temporary, and contract workers. Typically, those using this strategy have been large corporations, often Fortune 500 companies that have undergone significant downsizing during the 1980s.

The extent of that downsizing is covered in another study sponsored by the Conference Board and New Ways to Work. Conducted by Kathleen Christensen, it is called *Flexible Staffing*

and Scheduling in U.S. Corporations (1989). It examines contingent workers and job sharing, telecommuting, part-time, and other flexible work strategies. Economist David Birch, cited as a resource, estimates that the Fortune 500 companies reduced their workforces by 3.1 million jobs between the beginning of 1980 and the end of 1987, going from an aggregate of 16.2 million to 13.1 million employees. In other words, the Fortune 500 companies reduced their workforces by nearly 20 percent collectively. A significant number of these workers were encouraged to "retire."

"Fewer than 30 percent of contingent workers have health care coverage and fewer than 15 percent have any pension coverage."

That trend continues. A recent *Wall Street Journal* article reported that during 1990, six Fortune 500 companies eliminated over 100,000 positions. This process is continuing in San Francisco. During one week in June, seven companies announced a total reduction of 83,000 jobs.

The downsizing is occurring in "core jobs." A core job has been described as a job that Beaver Cleaver's dad had; that is, a full-time job with benefits, good pension, promotion, training, relative lifetime security, etc. Those jobs are disappearing. During the 1980s, while the number of core jobs dropped by 3 million, the number of contingent jobs increased by 6 million.

Competitive pressures and the loss of market share have forced companies to examine their human resource policies. The irony is that many of the steps they are taking are essentially backward-looking as opposed to forward-looking. This phenomenon is discussed in a recent report authored by the Towers Perrin Consulting Firm (1990). The study analyzes what companies are doing to prepare for impending labor and skill shortages.

Many of the companies interviewed emphasized that not only were labor shortages projected, they were already happening in 1990. Yet companies are continuing to downsize and reduce the number of skilled senior employees. According to this report, while 20 percent of these companies currently have a strategy in place to support development of a core workforce with contingent workers, another 11 percent are working on plans for a two-tier workforce. So, as companies talk about the difficulty of finding qualified, competent, entry-level workers, they're simultaneously designing jobs that strip benefits and training and do not provide career development opportunities. And, older workers are often the victims of these policies and practices.

On the other hand, many companies are doing innovative and interesting things. Ironically, there are companies that are extraordinarily reactive in one division and yet decimating people in another. I think this picture of inconsistency best describes the immediate future. Given today's human resource policies, it is extremely difficult to predict what is going to happen.

In a recent meeting, some German economists talked about "anticipated labor market turbulence" in light of the reunification of Germany. They are having

enormous workforce problems: essentially, they have a semi-underdeveloped country merging with the most developed country in Europe. The phrases "turbulent labor market" or "chaotic labor market" are very good ones to describe what's going on both there and here. We see companies often doing several contradictory things. Little unified national policy either guides private human resource policy or informs policy makers about what should be done.

The core-ring strategy has unfortunate consequences for older workers. Companies have a core of full-time workers complemented by a buffer workforce of part-time, temporary, and contract workers. In the event of an economic downturn, companies can reduce the size of their buffer workforce. They terminate the temps, part-timers, and contractors. These workers are not eligible for unemployment, and they have limited, if any, entitlements or employment rights. This strategy of attempting to preserve a core workforce surrounded with a buffer is being tried by more and more companies. Older workers are actively being recruited for these buffer workforces. Corporations want older workers because they do not need health insurance.

The key aspect of the contingent workforce, the major unifying factor, is its lack of health insurance coverage. Fewer than 30 percent of contingent workers have health care coverage, and fewer than 15 percent have any pension coverage.

Both the Towers Perrin report and the Conference Board/New Ways to Work report reveal that corporations will continue to expand their use of contingent workers. This trend has not peaked. But while contingency may make economic sense as a short-term, cost-cutting enterprise, it is a flawed and short-sighted national policy. It impoverishes the workforce in terms of wages, benefits, training, and human capital. It does not respond to the evolving workforce and the necessity of ongoing training, education, and skills upgrading. Neither the public sector nor the private sector are attending to the serious downside of this strategy. It requires a great deal more attention in the future.

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RESOURCEFUL ROLES

STILL WORKING?

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I represent a neglected minority: older people who want to go on working as long as they are physically able.

"Still working?" friends inquire. When I say yes, they tell me how happy they are that they had enough money to quit. And when I say that I like working, they look at me wall-eyed, as if there were something wrong with me.

As a society, we're not all comfortable with the notion that a role is something you choose for yourself, like your clothes. There are a lot of people who think that you ought to follow the script someone hands you, even if you don't like it.

One of those scripts is the "role" of retirement. It's almost as new as Social Security. During the Depression, we said to older people: "We'll give you a pension if you give up your job to a younger person. By the time you're 65—and now it's 62—you don't really want to work, do you?"

The jobs were awful, so with a stick here and a carrot there, more and more workers have been retiring earlier and earlier.

Not all old people are happy in the role of retirement. There are roles other than "worker," but I'm leery of selling roles to people.

I have wondered how many people really prefer work to retirement. To tap this constituency, I persuaded *Modern Maturity* (April-May, 1988) to put a questionnaire in the magazine inviting readers to tell us about their second careers. We thought that 2,000 or maybe 3,000 of the millions of AARP members would tell us about their second careers. But 36,000 responded. Were they upscale? A little. But we also had a cross-section of ages, gender, educational levels, and occupations. From these responses, a "purposive sample"[1] matching the workforce of over-55 aged workers was created.

"There are a lot of people who think that you ought to follow the script someone hands you, even if you don't like it. One of those scripts is the 'role of retirement.'"

I now have a computerized sample of workers. I can give you, for instance, a distribution of the occupations of people over 70, what they say about why they continue to work, what they do, how they

[1]A purposive sample consists of cases that are considered typical of the population. These cases are then used in making generalizations about the attitudes and behaviors of the general population. For example, selecting specific electoral districts that have predicted past election outcomes and using them to predict future outcomes.

got their jobs, and what they like and dislike about those jobs.

Worried about people coaxed or forced into early retirement? I can compare the experience of those forced to retire with those who retired voluntarily.

Ever wonder what kind of jobs displaced homemakers actually get? My sample has 300 women who listed their longest job as "homemaker." Some of them even gave "husband" as employer.

Are you interested in volunteers? I can give you anything you want to know about people who work for nothing—age, sex, occupation, and education.

If you want to talk with members of this sample, I can provide telephone numbers. What they have to say about why they work, what they're doing, how they got their jobs, and the advice they have for others will be included in a book to be published (1992). The tentative title is *Second Careers: New Ways to Work After 50.*

Who Are These Work-Minded Seniors?

It was no surprise to find that our questionnaire had a special attraction for people who have been fortunate in their work. Our respondents were more apt to say that they loved their second careers than a comparable census group. They also were more apt to have retired from their longest job voluntarily, usually on a pension, and to be working part-time. But we heard from the underprivileged, too, eloquent testimony to the pull of work for people who fall through the cracks of our public and private welfare systems.

We must never forget the older women who are cleaning office floors on arthritic knees because they worked as "domestic servants" for employers who didn't contribute to their Social Security. Generally, we found that *older women were worse off than older men, whatever they did.* More older women than men said they were working primarily for money at jobs they don't like.

The shoe pinches these women in more than one place. In California, a 68-year-old widow complained that she has to work 24 hours a week in a plastics factory to pay her $275 rent. But when the apartment building was slated to be torn down to make way for a flashy development, the only one-bedroom apartment she could find cost $500. Her income was too high to qualify for any help with rent and utilities, so she expected to stare at the walls of the plastics plant for the rest of her life.

Why Do They Continue to Work?

Money was the leading, but not the majority reason, our seniors continue to work. Most said they were doing it because they liked it. They give many reasons: the *work itself*, the *people they work with*, the *challenge*, the *feeling that they are helping others*, and, sometimes, just to get out of the house. One thing was clear. They weren't working for prestige or glory.

How do you explain a 69-year-old who just loves everything about cleaning tables and floors at a fast food restaurant? In 1987, he was earning $4.75 an hour, considerably less than the $20,000+ a year he had made as a maintenance mechanic

for a steel company. He wishes he had retired earlier.

How do you explain the past-middle-age female welder who looked for another welding job after she was laid off because "welding isn't work. It's like quilting and stuff you like doing, gardening, yard work."

More than 80 percent said they loved the jobs they were doing. As one 80-year-old wrote us, "If I didn't love it, I sure as hell wouldn't do it."

What Are They Doing?

They aren't working in the good, steady manufacturing jobs or big company white-collar factories that frame our image of a "job." Instead, they're working in small organizations and services.

Overrepresented are the self employed: farmers, real estate and insurance brokers, small business owners. They work in offices as secretaries, bookkeepers, receptionists, and clerks. They keep business going as security guards, inventory keepers, couriers, building cleaners, and drivers.

They work in hotels and food services, in stores and hospitals. As caregivers in homes, travel agents, and recreation leaders. As repairers, locksmiths, and piano tuners.

Some of the best-loved jobs were in *services used by those who provide the services*, like the tour guide who gets her trip free, or the Weight Watchers coach who keeps her own weight down while exhorting others to do the same.

How Long Do they Plan to Continue Working?

Most of them aren't counting the days to retirement. Over a fifth plan to work till the day they die or at least as long as they are physically able. The percentage is higher for lawyers, accountants, tax preparers, part-time workers, and the self-employed.

What Kind of Changes Have They Made in the Way They Work?

Most have moved out of their field. They weren't sticking with full-time, year-round, good steady jobs.

They're happily working part-time, part-year, on contract or commission, in dead-end jobs, without benefits. They're doing the overlooked, incidental chores. They're doing things that have to be done, like:

- inspecting property for the bank that holds the mortgage,
- making public address announcements at a ball game,
- making flower arrangements for a florist,
- caring for children of welfare mothers while they are being taught how to hold a job,
- shuttling rental cars from site to site,
- starting golfers at the first tee, and
- helping people fill out income tax forms.

Why do they like jobs that are supposed to be bad? A few words came up again and again in the thousands of explanations: "people," "freedom," "my own boss," "variety," "challenge," "helping," and "flexible schedule." Love for animals, children, the outdoors, the law, writing, carpentry, or the task they were doing.

Does this sound vaguely familiar? If so, it's because these work-minded seniors are doing what the futurists say we'll all be doing: creative, independent, task-oriented, flexible work rather than a clock-driven 9-to-5 job in a big factory or office bureaucracy.

The work-minded seniors of the 1990s are lifestyle pioneers. They are poking into the corners of a labor market changing faster than the head counters can keep up with and finding or creating jobs that fit the way they want to live their later years.

Maybe you're thinking that these work-minded seniors are a minority. You're probably right. Maybe one out of every three people over age 55 now wants a second career, but many more would want to stay in the labor force if they thought they could get into one of the niches our work-minded seniors have discovered.

WORK AND SECOND CAREERS

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What are the characteristics of workers who continue to work past "normal" retirement age? What motivates these older individuals to remain engaged in the labor force? What factors contribute to these workers' ability to stay on the job? What emerging demographic, social, and economic trends may influence the choices and opportunities for continuing workers of the future? These are but a few of the questions that can be raised about the continuing or "second career" older worker.

Unfortunately, our knowledge of these workers—what motivates them, how they make their choices, etc.—is relatively limited. Recent research does, however, begin to shed some light on who these workers are and how they differ from those who remain retired.

Characteristics of Continuing Workers

A recent study using data from the National Longitudinal Survey of Mature Males (NLS) tracks the movement in and out of the labor force of men age 55 and older over a 17-year period (Hayward and Grady, 1990). In addition to finding considerable movement, the study found that professionals, managers, and sales personnel in the labor force were much less likely than operatives and laborers to retire. Those who were self-employed were also likely to stay in the labor force past normal retirement age, but these workers also showed high rates of disability, as did clerical workers. Once retired, managers, craftsmen, operatives, and laborers had low rates of reentry into the labor force, unlike farm laborers and the self-employed who may have been forced to reenter due to the lack of pension benefits and savings.

Although focused exclusively on men, these data support the widely held view among labor economists that the availability of adequate pension benefits is a strong motivator for retirement (Quinn and Burkhauser, 1990). Conversely, surveys of older workers have found that money—for basic expenses as well as luxuries—is a key motivator among those older workers who have continued on the job or who express an interest in returning to work (The Travelers Companies, 1988).

Job Characteristics Can Encourage or Discourage Continued Work

Both surveys of older workers and actual labor force participation rates show that many, if not most, older workers, particularly those age 65 and older, prefer

to work part-time. Yet, the availability of part-time jobs with benefits among large firms is still limited. Thus, workers may be forced to leave their current employer to find part-time work, often at lower wages (Herz and Rones, 1989). Employers who provide options to their older employees such as retiree job banks, phased retirement, and partial retirement help create an environment that encourages continued work. Conversely, when employees are faced with an all-or-nothing choice, many will choose to retire completely.

"Andrews and Chollet project a relatively rosy future for baby boomers due largely to higher rates of pension recipiency, particularly among women."

The availability of retiree health care benefits is another consideration in older workers' decisions about remaining in the labor force. On the one hand, when benefits are available, older workers may feel somewhat more secure in leaving their current employer to pursue a second career or start a new business. On the other hand, if benefits are not provided, older workers may have little choice but to stay on the job until they become eligible for Medicare benefits at age 65.

Training opportunities may also influence the work and retirement decisions of some older workers. Participation in skills update training, for example, helps prevent obsolescence and increases productive worklife. Training for new skills or new positions provides choices and opportunities for older employees whose careers may have plateaued.

Unfortunately, although a number of well-known companies such as General Electric, IBM, and Motorola encourage older employees to take advantage of training and retraining opportunities, these companies are the exception rather than the rule. While 55 percent of firms surveyed in a study by the American Association of Retired Persons "believe retraining would be effective for older workers," only 29 percent have such programs (AARP, 1989).

Future Trends

Will the baby boomers follow their parents' example of early retirement? Part of the answer to that important question will be determined by the financial security of baby boomers as they approach retirement. Using the Pension Retirement Income Simulation Model developed by ICF, Inc., Andrews and Chollet (1988) project a relatively rosy future for baby boomers due largely to higher rates of pension recipiency, particularly among women.

Although real retirement income is projected to be higher in the future than it is for today's retirees, the preretirement earnings replacement rate is expected to be lower. Nevertheless, baby boomers are expected to continue the early retirement trend with few working after age 65 (Andrews and Chollet, 1988). Severe

economic dislocations would, of course, alter these projections.

Despite their projected economic security, white-collar baby boomers may not be as eager to retire as their parents, particularly those parents who left blue-collar jobs in manufacturing. And for those among the baby boom generation who delayed childbearing until their mid and late 30s, the financial demands of educating children may close off the option of early retirement.

At the same time, baby boomers will undoubtedly have more opportunities to combine work and leisure as employers become accustomed to making alterative work options available. Thus, baby boomers may choose not to retire entirely at age 62 or age 65, but rather enjoy greater periods of leisure through the use of part-time work, phased retirement, partial retirement, sabbaticals, and other work options.

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DAYS INNS RECRUITS OLDER WORKERS

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The graying of America is a reality that is radically changing our society and especially influencing American businesses. Many companies are facing dramatic labor shortages. Determined to find dependable employees, they are turning to "non-traditional" workers—older people. In the United States alone, the hotel industry will add 600,000 jobs during the next decade, an increase of 43 percent. At the same time, the labor force in general will increase by only 17 percent. In addition, many service industries today experience turnover rates exceeding 100 percent.

Days Inns of America encountered this same predicament five years ago. In 1985, Days faced a tremendous labor shortage. The average employee at the Atlanta Reservations Center worked only three to four months. Turnover rates exceeded 100 percent. Our labor situation seemed bleak and so we decided to try older workers.

We knew that jobs with flexible hours and full benefits were available in our Reservations Center, and we thought these jobs might appeal to older people.

The recruitment effort proceeded slowly at first. Standard methods such as placing advertisements in local newspapers were unsuccessful. Days analyzed the situation and devised a creative approach. We began giving speeches about job opportunities at Life Enrichment Service Groups, placed notices in church bulletins, and networked with organizations such as AARP and the National Council on the Aging. The most effective effort, however, seemed to be recruiting at job fairs. We attended several small-scale job fairs in Atlanta and successfully recruited a large number of seniors.

Currently, 30 percent of the staff at the company's two national Reservations Centers, in Atlanta and Knoxville, are over age 55. Older workers have proven to be excellent employees. Turnover and absenteeism among the group is less than one percent. Courteous and tolerant, seniors have worked well in customer-service jobs such as reservations sales. They also have been good role models for younger employees. Turnover has dropped to about 20 percent as the average length of employment has risen to over three years and counting. Besides reservations, they work in almost every department at corporate headquarters.

Take the case of Charlie Smith. A retired Dun and Bradstreet executive, he decided to reenter the workforce two years ago as a reservations sales agent. He has been promoted several times, and now at age 62, he works as the assistant manager of the entire Guest Services Department. Harold Blum, 77, is our top telemarketer;

he generated over $3 million in revenue for Days in 1989. Maurice Wasserman. Dan Young. Christine Shelly. The names and faces go on and on...

Many Days properties nationwide also actively recruit older persons. They are hired for positions ranging from sales to food and beverage and maintenance to management and housekeeping. Let me give you a few examples. Rufus Barringer, 75, has been working as the director of sales at the Days Inn Rocky Mount-East in North Carolina for almost two years. At 63, John Cisneros, the banquet captain at the Los Angeles-Airport Days property, has won numerous "employee of the month" awards and continues to endear himself to hotel guests by playing Santa Claus each year at Christmas. And, there are many, many more.

"Days plans to continue to recruit older workers at its two national reservations centers and at its franchised hotels across the country. [Days] also hopes to encourage other businesses to hire older workers."

Through its experiences at corporate headquarters and at the property level, Days has found that older people *want* to work. That belief was validated by the Commonwealth Fund (McNaught and Barth, 1990), a New York-based philanthropic foundation, when it reported in January, 1990, that more than 1.9 million retirees aged 50-64 were ready and able to go back to work. This figure is three times as large as the official government estimate of 630,000 people.

An increasing number of companies have begun to recognize the benefits of hiring older workers. The Travelers has its own retiree job bank. Walt Disney World actively recruits seniors by using a casting bus that goes throughout the community in Orlando. McDonald's Restaurants, American Express, Xerox, and others also have active older-worker employment programs.

Though many businesses recognize the need to hire alternative sources of labor such as seniors, they are not sure how to tap these workers. Days offers companies a solution to that dilemma, the Senior Power job fair. Held annually in May, Senior Power is the only national job fair specifically created to assist businesses in recruiting older workers. It is a non-profit, community-service venture for Days; there is no fee for participating employers or for older workers seeking jobs.

Thousands of businesses, including Federal Express, Adia Temporary Services, Waddell and Reed Financial Services, and Wal-Mart, have participated in the event. We have had "mom & pop" grocery stores, regional banks, and corporations with an international reach. Coordinated by corporate headquarters, the fairs are hosted by Days franchised hotels across the nation.

At the first job fair in 1989, 64 Days hotels matched 600 employers with over 5,000 seniors. "Senior Power 1989" was the first time any private company, government organization, or public coalition had taken the initiative to unite

businesses on a national level to address the issue of employing older Americans.

"Senior Power 1990" was hosted by 75 Days properties in every region of the country. More than 1,000 employers interviewed over 10,000 seniors. The Senior Power job fair allows Days, its hotels, and other businesses to solve their labor crisis while providing an outreach effort to seniors interested in returning to the workforce.

Days plans to continue to recruit older workers at its two national reservations centers and at its franchised hotels across the country. We also hope to encourage other businesses to hire older workers.

John Barrymore once said, "A man is not old until regrets take the place of his dreams." Well, through my work at Days, I have met many people aged 58 . . . 72 . . . 67 . . . and 76, and they still dream of feeling wanted and needed . . . of having a purpose . . . of making a contribution. I know that many more companies in the future will share the dreams of older workers while benefiting the company's bottom lines.

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MY REINCARNATION IS IN MY AUDIENCE

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As a former educator, I would like to discuss what I see as the strengths of the American educational system. Our educational system, because of its liberal arts components, allows graduates to become successfully involved in various fields beyond those in which they have been granted degrees. This allows our graduates in engineering, for example, to succeed in architecture, business, or mathematics.

In the twenty-first century, people most likely will live longer than they do now. If the retirement age remains the same, the length of retirement will increase. If this is true, then:

- The potential exists for a worker to have three distinct careers and opportunities.
- People will have increased opportunities for volunteering.

I have had three distinct careers: professional musician, research and development engineer, and professor of engineering and physics. All were made possible because of my bachelor's degree in law with a minor in mathematics. Once retired, I have become actively involved in several volunteer projects:

- lecturing on space;
- organizing and chairing a Chamber of Commerce project called "Business, Industry, Education Network;"
- serving as an emeritus and member of the planning committee of New York Governor Mario Cuomo's "Skilled Workers Emeritus Program;" and
- participating in the work of our congressman's science committee and his education committee.

I would like to briefly discuss my involvement in the "Business, Industry, Education Network" and the "Skilled Workers Emeritus Program."

"The Network Project . . . provides a mechanism for making industry needs known to educators."

The Network project seeks to generate dialogue and contact between students and teachers and business/industry personnel. It also provides a mechanism for making industry needs known to educators. In addition, the Network serves as central clearinghouse for field trips to business and industry and as a speakers bureau from business and industry.

About two years ago, it became evident that New York State was losing

industry to other sections of the country because of a shortage of blue-collar workers. The drive for young people to go to college resulted in a decline in those seeking careers in the trades. The scientists could develop theory, the professionals could develop designs, but machinists were needed to manufacture the product.

Governor Cuomo directed David Gillette, Executive Director of the Job Training Partnership Council (New York), to develop a strategy for attracting students to the trades. The Skilled Worker Emeritus Program subsequently was created. This program recruits retired artisans to lecture at schools, service clubs, and other locations about the varied employment opportunities inherent in the trades.

The first year of the program was very successful. The 38 emeriti spoke to over 15,000 people. This year the number of emeriti was expanded to 78.

In conclusion, it seems that "volunteering" has become my fourth career! Why do I do this? Probably because I have a need to share my knowledge and expertise with others. Much of what I have learned has been through trial and error. Whether I'm speaking to a group of students or citizens, I hope that my audiences will profit from my experiences, and thus not have to go through their own "trial and error" periods.

RESOURCES

BANK OF AMERICA—AN ADVOCATE FOR OLDER WORKERS

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About three years ago, I became involved with the Los Angeles Office of the National Council on the Aging. I helped them organize regional job fairs for older workers, which have been hosted for several years.

Because of my positive experience, I became involved in a number of related issues. At Bank of America, we recruit our own retirees as well as other older persons. We have 33 active retiree clubs with most of them in the State of California and a couple in Arizona. We work continually with these groups to update them on bank business and other issues that may be of interest to them. We recruit through these clubs, and we hire those interested in working on a contractual basis. During the year, they are assigned to different areas primarily to help us with business development and community outreach activities. For example, they work on the United Way Campaign, which is one of the bank's biggest annual community service projects.

In 1988, we hired approximately 300 people in California who were aged 50 plus. We doubled that figure in 1989. The figures are not yet available for 1990. We are targeting the older worker as one of the three recruitment sources. The other groups are students and "at home" spouses, whether they are men or women.

Bank of America's greatest need is for part-time or hourly workers. We have found that older workers are great resources for us because the majority of them are seeking part-time work. It's a good fit for them, and a good fit for us.

We hire for every job category from teller to tele-servicing representative, to operators who proof transactions, and to the people who help move paper in the back room. Most of these employees were recruited at older worker job fairs. We advertise in senior newspapers, and we network with relevant organizations in the Los Angeles area.

One excellent resource has been the Los Angeles Counsel on Careers for Older Americans (they are changing their name to "Career Encores"). I am currently the vice president of their board of directors. They have a wonderful network of about 43 agencies that help link older persons seeking employment with employers recruiting workers.

Another nonprofit organization that we work with is "Second Careers." Second Careers is currently under contract with Bank of America to help us recruit

temporary workers—one of ten temporary agencies that help us locate temporaries as the need arises. We currently spend about $12 million dollars per year for temporary workers. Second Careers also helps to recruit full-time employees.

Our commitment to older workers is not limited to hiring; we are actively educating other employers about the great resources of the aged 50 plus employee. I chaired the first state-wide job fair for older workers that we held in California. It was co-sponsored with Volt Temporary Services, a national temporary services firm, and the National Council on the Aging. We held this event simultaneously at 12 sites throughout the State of California. Over 7,000 participants aged 50 plus attended.

At one site in East Los Angeles, recruitment was conducted entirely in Spanish. I happened to be at that site. I have never been more overwhelmed by the number of people seeking to work for Bank of America. I literally had so many people at my table that my table was pushed back to the wall.

In the month following the job fair, over 60 people were hired in the Los Angeles area alone. We do not have estimates of how many people were hired at the other sites. We believe, however, that because we attracted 7,000 participants and over 100 different employers that it was a great success.

During the last three years, we also have held three forums to educate other corporations. We have held two breakfast meetings and one evening reception to inform other companies about how we have benefited by hiring seniors, and how they can tap these resources. We have had meetings and have invited guest speakers to talk to our colleagues.

"Why do we hire older workers? Older workers have a strong work ethic. They have years of experience that young recent college students do not have. They have excellent interpersonal skills."

Why do we hire older workers? There are a number of reasons why Bank of America is interested. Older workers have a strong work ethic. They have years of experience that young recent college students do not have. They have excellent interpersonal skills, and this is especially helpful in customer contact positions. Because companies like ours are service organizations, we must rely on our employees to provide efficient, helpful, and pleasant service to our customers. The older worker is mature. Also, as I mentioned earlier, older workers—at least the majority of the people recruited by Bank of America—are looking for part-time work.

The bottom line with any profit-making company is to make a profit. We must remain competitive. One of the ways we can do that is to recruit the fastest labor pool. And that is older workers. As we focus on the year 2000 and beyond, we must look to this great resource as it grows and hire the kind of people that fit our needs.

A couple of issues arise when people ask whether hiring older workers is *always* successful. Do you ever have any problems with hiring older workers? The answer is: yes, sometimes.

The biggest problem we encounter, though, is not with the individual we're hiring, but with the managers. We sometimes find that younger managers have a stereotypical reaction to having older individuals work for them. Often they may not understand that older people have a strong work ethic. Older people often have an interview style which is different from younger persons. They tend to be more relaxed and casual. Some managers do not respond as well to this approach.

Younger managers may be looking for the driving enthusiasm of a young person, but even with younger applicants, sometimes that enthusiasm is not apparent even at the second interview. Sometimes they will reject the older worker based on stereotypes as opposed to the skills of that person. They may be nervous having an older person work for them. They may wonder if the older person will have a problem working for a younger manager.

Sometimes we have managers who are concerned about health care. They believe that they will increase health care costs by hiring the older worker. We have found that those costs have not significantly increased. Of course, health care problems can occur with aging. On the other hand, we have found that the longer a person works, the healthier they remain.

Another problem we have found is that some managers may have had a distressing experience with an employee who was a little older and who had worked for the company for a long time. That employee may not have remained enthusiastic and may not have had a strong work ethic. Because of this experience, the manager may automatically assume that any other person who is aged 50 plus is going to have that same kind of attitude and create the same problems.

It is becoming increasingly important to educate our managers. I started by training our recruiters. Most are younger and need to be exposed to the different interview styles of older persons. I have also worked with line managers who are hiring. I believe that I have helped them to understand the positive benefits of hiring older people. Bank of America does not have a formal training program focused on the resources of the older workers. Our work is ongoing, but informal.

Older employees must meet the same skill requirements that we have for any employee we hire. There is no special training for older workers. They go through the same training program with other employees. We will provide larger print training materials, and if someone has a special need, we have a special way to accommodate it.

Bank of America is committed to older workers. We will continue to hire older workers. We will continue to educate other employers to this tremendous resource. We have involved our senior managers who have "clout." They have provided us access to senior managers in other corporations. And we will continue to work with our own managers to help them understand the benefits of this resource.

SERVICES FOR OLDER WORKERS: OBSERVATIONS ON RESEARCH AND PROGRAMMATIC NEEDS

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A consensus has been developing that increasing numbers of older people are interested in prolonging their labor force participation (Bureau of National Affairs, 1987). For some, the reason is financial; for others, the reasons have more to do with psychological and social benefits.

Most of the older people who may want to prolong their participation are either: 1) employed people who are considering continuing their present employment or starting a new career, or 2) unemployed people who would like to find employment. Many of these individuals are likely to need some assistance and encouragement in making a decision and in reaching their employment objective. While various types of service programs may be available, e.g., career counseling, retraining programs, etc., we would like to focus attention on two types of programs: job finding programs, specifically job clubs, and preretirement planning programs.

Both programs are potentially relevant to a large number of people (Louis Harris and Associates, 1981). Many *employed* older people express an interest in continuing work past traditional retirement age. However, a relatively small percentage actually choose continued employment. Preretirement planning programs seem like the logical programmatic vehicle for helping the large number of employed people nearing retirement decide if they want to continue to work.

In addition, some older people find themselves *without work* as they near retirement age. Older people are disproportionately represented among "discouraged job seekers"—unemployed individuals who choose to seek new employment (Schram and Osten, 1978). Job finding programs can meet the needs of these and other older people interested in finding new work.

Preretirement Planning Programs

Research

Are preretirement planning programs effective? Since these kinds of programs can vary tremendously in their objectives, the question is difficult to answer. However, a relatively large body of research has focused on preretirement planning programs. The research shows no broad consensus on program effectiveness. In truth, the quality of this research is so poor that it is difficult to have much confidence in its findings. Dr. Katherine Grant has reviewed all of the published studies purporting to evaluate preretirement planning programs[1] (Grant, 1985, 1989).

These studies had various and numerous methodological and conceptual deficiencies including: 1) inadequate or inappropriate research designs and measures, 2) no follow-up assessment, and 3) nonrepresentative samples. Because of these and other problems, we have concluded that no scientific basis currently exists for an assertion that preretirement planning programs are effective or, for that matter, ineffective.

Availability

Accurately assessing the availability of preretirement planning programs is very difficult. Surveys have been hampered by a low response rate. However, we believe that preretirement planning programs have become increasingly available (Buck Consultants, Inc., 1989).

The quality and comprehensiveness of these programs often leave much to be desired, however. One-shot preretirement counseling sessions are still all too common. Many programs continue to sell retirement as an inevitable transition from work to leisure. Furthermore, most program participants tend to be predominantly higher-educated and higher-income participants. Little effort has been made to reach lower-income and lower-educated groups who would be most likely to benefit from the programs.

Job Clubs

Research

A job club is a complex, job-finding program developed by a behavioral psychologist, Nathan Azrin (Azrin, 1981). The program uses learning, self-help, and support group techniques to promote effective and persistent job finding activity. Much of the job club's philosophy and techniques has been incorporated into programs like "Forty-Plus."

Braddy and Gray have evaluated the effectiveness of the job club program with older job seekers (Braddy and Gray, 1983; Gray, 1983). Approximately half of the subjects were over 63 years of age, and the subjects were about equally represented in low, middle, and high socioeconomic levels. In one study (Gray, 1983), 74 percent of job club participants were employed after 12 weeks compared to 22 percent of control participants. In the second study

[1]A total of 19 studies were reviewed.

(Braddy and Gray, 1983), 89 percent of participants were employed after 12 weeks compared to 25 percent of the control participants. We have concluded that the older worker job club was significantly more effective than traditional job finding services.

Availability

Interestingly, in spite of persuasive evidence about the effectiveness of the job club program, adoption and implementation of these clubs and employment programs specifically targeting older people has been sporadic. We believe there are several reasons for this. First, older people are only one of several at-risk groups that are served by providers of employment assistance. These providers attend to the "squeaky wheel," and older job seekers have not "squeaked."

Second, while funding is available for older worker programs—through the Job Partnership Training Act, for instance—the program usually targets only low-income individuals. This restriction sometimes discourages would-be providers who recognize that age discrimination and job discouragement know no income limits.

Finally, research and practice for older people have been "medicalized." On balance, the aging service network has never embraced employment as a high priority problem. Consequently, the network has not actively pursued either advocacy or service provider roles that are critical to promoting older worker job clubs and similar programs.

Future Needs

Preretirement planning programs and job finding services empower older people to lead more productive and resourceful lives. Much work must be done to ensure their effectiveness and widespread availability.

"[I]n spite of persuasive evidence about the effectiveness of the job club program, adoption and implementation of these clubs and employment programs specifically targeting older people has been sporadic."

Preretirement planning programs, particularly if they stress and facilitate personal responsibility and decision-making, are valuable. This belief, however, is based more on faith than on research. Thus, the most pressing need now is for more rigorous research on the effectiveness of preretirement planning programs. Minimally, research must overcome the major methodological and measurement problems, which have affected most of the available research. This research must strive to answer the ultimate evaluation questions: Which type of preretirement planning program works with which type of client, for how long and by what criteria? Answering this question will

require an expansion of the number of available programs.

Research on the PREPARE pre-retirement planning programs, which is offered to state employees in North Carolina, begins to address many of these issues (Grant, 1989). The research indicates that short-term results from participation in PREPARE are very positive and consistent for different socioeconomic groups. PREPARE participants made plans and decisions about how they defined their retirement and implemented more sophisticated plans than a nonparticipating comparison group.

Additional research also is needed on training and retraining needs and interventions, on how to facilitate second careers, and on other employment-related services. The job club is a proven resource for helping older people find jobs. Unfortunately, this and similar programs are not widely available. Expansion of these efforts must be made a higher priority. For this to happen, older people who would like to work need to demand employment assistance.

In addition, employment assistance must become a priority of the aging service network. Substantially greater funding will be required. However, advocacy alone will not be enough. The aging service network must begin offering job clubs and related services.

Many predict we are entering a period where retirement—at least retirement defined by a transition to leisure and disengagement from the workforce—is no longer seen as inevitable or even desirable. This development only represents an opportunity for people to have greater choices in deciding to work or retire. Preretirement planning and job finding programs represent potentially valuable resources to individuals faced with this opportunity. However, the ultimate value of these programs will probably depend on whether they are allowed to profit from a productive dialogue between research and provider communities.

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UTILIZING INDIVIDUAL AND PERSONNEL RESOURCES

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I am a Japanese-American, born and raised in southern California. During World War II, I was "evacuated" and placed in a concentration camp. While in Rowher, I was drafted and served in a segregated combat unit composed of Japanese-Americans.

Prior to the war, I was an engineering student; however, due to overt racism in the engineering profession, when I returned to college, I majored in psychology. While in graduate school, I found a job at a Jewish vocational services sheltered workshop for handicapped adults, including mentally ill and developmentally disabled persons. The next 30 years were spent as an administrator for Asian Human Services, a mental health facility. Stress-related health problems dictated a career change.

In 1983, I applied for a Chicago Community Trust fellowship. It provided "the means for selected individuals to enhance significantly their ability to serve the community." No Asian person had ever been granted a fellowship.

Business associates, former fellows, leaders from the minority communities, and college and university personnel all participated in formulating and drafting an independent study plan to be included in the application. During this process, the powerlessness of Asian people became apparent to me, although the study vividly demonstrated that Asian communities were becoming increasingly vocal and active in program and policy decisions that affected their lives. I identified several factors which contributed to powerlessness among Asians in America:

- personal and group identity;
- personal agenda of individual leaders;
- racism/prejudice, and
- the diversity of languages/cultures of the Asian Pacific Island population, which includes at least 20 distinct groups.

Personal factors were also significant: time of arrival, rural/urban settings, socio-economic status, and age cohorts.

The fellowship offered an opportunity to assess the needs of the Asian people and to explore strategies that might address those needs. The fellowship included library research, university courses, and visits to Asian communities from New York to Hawaii.

A retreat with representatives from the Pacific/Asian communities in Chicago was organized to develop approaches for

meeting the needs of the Pacific/Asian communities. Concern primarily focused on survival skills such as employment, English-as-a-second language, and acculturation. Unfortunately, limited funding for these programs only fosters competition and distrust.

"Why have I been strong in my career? I believe it was my strong resource base."

The Pacific/Asian Island communities have an abiding concern for the welfare of aged persons. Sharing this concern, I decided to pursue a career in gerontology. Following my fellowship, I was hired by the Northeastern Illinois Area Agency on Aging as a community relations representative with lead responsibility for targeting services to minority elderly persons. I have helped to organize services, create and maintain networks of services, and establish liaisons with public and private agencies as well as colleges and universities.

Four years ago, the director of our agency received a notice from AARP seeking spokespersons for their Minority Affairs Initiative. I have served as a Minority Affairs' spokesperson for the past four years. This appointment enhanced my efforts to serve the minority communities. This second career of serving senior citizens is satisfying. Why have I been successful in my second career? I believe that it was my strong resource base.

My personal resources include my identity as a Japanese-American male and an elderly person with unique life experiences. My family, friends and acquaintances have provided information, consultation, technical assistance, and support. As needed, colleges, universities, agencies, businesses, and organizations have been willing to work with me in meeting expressed needs.

In closing, I would recommend that individuals involve their friends and family when launching a new career.

MAKING RESOURCEFUL AGING A REALITY

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Give or take a few thousand, 3 million would seem to be a crucial figure for older Americans. Not only is that the number of persons aged 65 or above who are currently working, but it was also the number of older workers in 1980, in 1975, in 1967, and in virtually every year back to the late 1940s. A particular year might see a slight rise or fall in the number of older workers, but deviation from the 3-million mark has been minimal over the past four decades, despite an increase of nearly 20 million persons in the aged population itself.

That older workers can be enticed to remain in or return to the labor force has been amply demonstrated by many of the speakers at this Resourceful Aging Conference. But if—as these and other speakers, anecdotes, and the scholarly literature suggest—older workers make good workers, why are there so few of them?

Part of the answer must lie in the fact that we have done a far better job of selling retirement than of selling older workers. One of the great success stories of recent decades is the general acceptance, indeed the institutionalization, of a lengthy period of leisure at the end of a working life, made possible by substantial improvement in the means to enjoy that leisure. Any stigma that might have been attached to retirement has evaporated, leaving retirees free to admit that they stopped working because they wanted to or were ready to retire.

Accompanying this development, however, have been perceptions on the part of employers and employees alike that workers begin to "wind down" as they age and that productivity declines. Why hire midlife and older workers, the questioning goes, if more productive, cheaper, and younger workers are available, or if newly hired older workers will only retire in a few years? Why train older workers if the return on the training investment will be but a few years at work?

According to the Conference Board, a not-for-profit business information service, only a handful of companies have policies to retain workers beyond the age of 65, and those that do are interested in workers with scarce skills (Rhine, 1984). Lip service may be paid to demographic trends, such as the declining numbers of young labor force entrants, to the deplorable state of job-readiness on the part of the nation's youth, to projected job growth, and to the need for an infusion of nontraditional labor, but lip service has not been translated into employment or retirement policy modifications that might foster employment opportunities for older workers.

Examples of resourceful older worker roles are, unfortunately, exceptions to prevailing employment policies and practices that discourage prolonged labor force attachment, which is often anything beyond age 55. Isolated examples of efforts to attract, retain, or retrain older workers—even when they reach out to older as opposed to just middle-aged individuals—do not constitute a trend.

By almost any standard, commitment to older workers remains weak, at least as reflected in public policy, enforcement of legislation designed to assist such workers, or resource allocation for older worker employment and training programs. In this respect, the United States is not alone.

"Isolated examples of efforts to attract, retain,or retrain older workers—even when they reach out to older as opposed to just middle-aged individuals—do not constitute a trend."

Aside from Japan, none of the industrialized countries of the world has made much effort to promote older worker employment, although some, such as Norway and West Germany, have provided wage supplements to employers who hire older workers. In a sense, older Europeans serve as safety valves in countries where unemployment has been a much more intractable problem and job growth less robust than in the United States. Many European employment and retirement policies have been designed to get older workers out of the labor force as a means of opening up job opportunities for younger workers.

Official employment policies specifically benefiting younger age groups over older ones would be illegal in the United States, which can pride itself on the passage of the Age Discrimination in Employment Act (ADEA). Nonetheless, the ADEA alone will not substantially improve employment opportunities for older workers.

On the one hand, it might be argued that demographic and other developments ensure that demand for older workers will grow, and that when it does, employers will provide older persons with all the incentives they need to remain at or return to work. The Bureau of Labor Statistics (BLS) (Silvestri and Lukasiewicz, 1989) projects that some 18 million jobs will be added to the economy between 1988 and the year 2000 and that the demand for technologically competent workers will escalate (Silvestri and Lukasiewicz, 1989). At the same time, the supply of "traditional" workers is decreasing. The fact that older workers can read, write, and reason—and that they have proven themselves as workers—ought to be enough to encourage employers to hire or retain them and retrain them in up-to-date skills.

On the other hand, labor and skills shortages by themselves are no guarantee that employers will turn readily to older workers. Alternatives may exist, perhaps in the form of the vast pool of nonworking women. Had, for example, the 1989 labor force participation rate of women been identical to that of men (just over 76 percent), the labor force that year would

"Without a comprehensive national older worker employment policy that establishes a goal of increasing older workers' attachment to the labor force and without some sort of plan of action, older workers remain vulnerable."

have been larger by 18.6 million persons, enough to fill all of the new jobs projected for the 1990s. Any demand for workers might, in other words, be met by attracting more women into the labor force. An increase in work hours, particularly among women but also among men, and/or opening the doors to larger numbers of immigrants might also mitigate some of the impact of any labor shortage.

As important as the many successful public and private sector older worker programs discussed here are in demonstrating that older workers can produce, they are not the answer to the so-called "older worker" problem. Without a comprehensive and coherent national older worker employment policy that establishes a goal of increasing older workers' attachment to the labor force and without some sort of plan of action to reach that objective, older workers, even those with jobs and in companies with well-established older worker programs, remain vulnerable. Just a few examples serve to highlight this vulnerability.

A major American company long touted for its hospitality to older workers and for its advocacy of workforce age audits[1] is conspicuous by its absence at today's conference. This company, which has been featured in virtually every compilation of corporate older workers programs, was recently reported to have "scuttled" its older worker retention program during a workforce reduction. Also cutting back on its older worker programs is another national company widely regarded for midlife training efforts. When a well-established manufacturer of heavy equipment was forced to cut costs, a phased retirement program was sacrificed.

Not auguring well for "older" workers was the recent UAW-General Motors (GM) contract agreement giving GM a relatively free hand in reducing both the size and the age of its workforce "to make it more competitive with employees at the United States plants of Japanese car manufacturers" (*Washington Post*, September 22, 1990). According to the *Washington Post*, both GM and the UAW were gambling that enough workers "will leave voluntarily to stabilize GM . . . at a smaller younger level." Not all companies would state this particular objective so baldly—it would seem that it could lead to an age discrimination lawsuit—but it is probably not unique to GM. After all, early retirement incentive programs are not introduced to weed out younger workers.

Even if job growth alone were enough to stimulate demand for older workers,

[1]A workforce age audit occurs when a specific company compares the age distribution of its employees with that of workers in the local, state, or national labor force, similar industries, or occupational categories.

there is little reason to expect that, all else being equal, older workers would want many of those "new" jobs. BLS projections suggest that only 20 of several hundred occupations will account for about 40 percent of the new jobs that may be created by the turn of the century—a very high percentage explained by very few occupations. Many of those jobs, as indicated by the top 10 producers of jobs, do not seem especially conducive to prolonging labor force attachment: (1) salespersons, (2) registered nurses, (3) janitors and cleaners, (4) waiters and waitresses, (5) general managers and top executives, (6) general office clerks, (7) secretaries, (8) nursing aids and orderlies, (9) truck drivers, and (10) receptionists/ information clerks. The number of cashiers, guards, and food workers will also increase substantially over the next several years.

"[F]uture retirees themselves will be expected to shoulder more of the burden of their retirement support; earnings can contribute to that support."

A legitimate question, of course, is whether the country wants and needs a better policy toward its older workers. Is it necessary or desirable to halt and perhaps reverse recent retirement trends? Do we want to make work more appealing to larger numbers of midlife and older workers? Do we want to make older workers more appealing to employers? I happen to think that the answer to each of these questions is yes, if for no other reason than because significant expansion of private and public retirement income systems is unlikely. Consequently, future retirees themselves will be expected to shoulder more of the burden of their retirement support; earnings can contribute to that support.

The next Resourceful Aging Conference might focus on (1) the need for a comprehensive older worker employment policy, (2) ways to achieve consensus about the desirability of such a policy, and (3) the components of the policy. Any policy should evolve from more than just the deliberations of older worker advocates and should acknowledge the fact that businesses must have the flexibility to respond to changing circumstances in a world economy with keen competition.

Achieving substantive modification in the nation's approach to older workers will not be easy, since earlier retirement expectations have become so well-entrenched. It probably goes without saying that current retirement policies will have to be examined and undoubtedly refined to ensure that they neither discourage continued employment nor force it upon people who are truly incapable of working.

If employers are to respond favorably to the notion of prolonging the average work life, they must be assured that their mid life and older workers possess needed skills and can perform as well as younger workers without costly workplace modifications. Efforts to promote older worker employment must thus be accompanied by more and better research on older worker productivity, especially in "high tech" and

emerging occupations. We can no longer assume that decades-old research on older workers in the furniture and footwear industries has much relevance to the workplace of the 1990s.

Similarly, more and better research on effective older worker training, especially training for the jobs of the 1990s and beyond, is required. Can older workers be effectively trained or retrained in the new technologies? What methods work best with older workers? Is their training cost-effective? Employers cannot legally exclude older workers from company training programs; however, they are not required to encourage their participation, and most apparently do not. Older workers themselves often shy away from training programs. Until questions about older worker trainability are answered adequately, older workers will remain underrepresented in private-sector training programs.

Most worker training in the United States is provided and paid for by the private sector, which makes sense, given that the private sector is where most employment is located. However, the ideal older worker employment policy would incorporate substantially greater government investment in skills training. At present, older workers in search of publicly funded training are served primarily by the Job Training Partnership Act programs and the Senior Community Service Employment Program, both of which were implemented to serve the economically disadvantaged. The fortunate fact that most older workers are not economically disadvantaged renders them ineligible for government-sponsored training assistance.

An older worker employment policy would incorporate better monitoring and enforcement of the Age Discrimination in Employment Act, although efforts to enforce this law could certainly be strengthened even in the absence of a policy. It would also eliminate the ADEA exemption for *bona fide* apprenticeship programs.

Because older workers express considerable interest in less than full-time work, a national older worker policy would most likely encourage expansion of and improvement in the status of part-time employment. Today's part-time jobs tend to be low-wage, low-status jobs with few or no benefits. While there may be perfectly legitimate reasons for paying part-time workers less than their full-time counterparts (recruitment and training costs, for example, are not halved even when work hours are), some equalization of wages and benefits will be necessary if part-time employment is to attract workers with alternative income sources.

An expansion of other alternative work options such as flextime, flexplace, and job sharing would also undoubtedly feature in a national older worker employment policy, as would some version of Sweden's national partial pension plan, a tapered retirement program that has captured the imagination of gerontologists and older worker advocates worldwide.

Swedish workers between the ages of 60 and 65 have the option of reducing their work hours and receiving not only wages for the hours they do work, but part of their pensions for the hours they do not. Guaranteed an income replacement rate of 65 percent, Swedish workers enthusiastically opted for partial retirement. So successful was the program that the

government felt compelled to lower the replacement rate to 50 percent in the early 1980s (a development that resulted in a sharp reduction in the number of partial pension applicants until the original rate was restored).

The partial pension plan accomplishes a main goal of easing the work-to-retirement transition. It also provides what Americans say they would favor, which is continued employment at reduced hours in the *same line of work*. However, the Swedish partial pension plan does not really prolong work life, at least not beyond the normal retirement age of 65, since the program is only available to workers between the ages of 60 and 65. Nonetheless, given the expressed interest of older workers in some form of reduced work hours, preferably in the same job or line of work, a version of Sweden's partial pension plan might well be a prominent aspect of a U.S. older worker employment policy. Such a plan could perhaps be offered to workers between the ages of full Social Security retirement age (now 65 but rising to 67) and 70 or older.

Other issues that might be considered as the debate progresses include:

- support for job redesign and modification to assist functionally limited older workers (who should also benefit from any work place modifications that result from the recently passed Americans with Disabilities Act),
- encouraging or perhaps requiring regular work place age audits to identify gross discrepancies in the age distribution of a particular work place as opposed to the total (or regional or local) workforce,
- support for midlife job and career change as a means of motivating workers to remain in the labor force,
- development and implementation of objective performance evaluation methods that tie performance to the needs of a particular job, and
- consideration of the advantages and disadvantages of tax subsidies and credits to employers who hire or train older workers.

As part of the process of moving toward greater employment of older workers, the government—federal, state, and local—might serve as a model employer and laboratory for experimenting with methods of retaining and retraining older workers. The federal government could start, for example, by becoming less free-wheeling with its very early retirement incentives. As part of the effort to prolong *productive* employment, the government could be in the forefront of training and retraining its older workers. The federal government already offers a variety of alternative work options; it might be more aggressive about promoting its experiences, both pro and con, with those options.

These are just a few issues that could or should be considered in the process of debating and developing an older worker employment policy; there is clearly a need for more ideas. Unless we as a nation commit ourselves to expanding older worker employment, there is no reason to assume that the 3 million figure I mentioned at the beginning of my remarks will change any time soon.

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SENIOR ENVIRONMENTAL EMPLOYMENT PROGRAM

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The national Senior Environmental Employment (SEE) program encourages older Americans who are retired or unemployed to work on short-term assignments for the Environmental Protection Agency (EPA). Piloted in 1976, SEE was created because EPA's air, water, hazardous waste, and many other programs needed an ancillary workforce to carry out their statutory missions.

The program has been an overwhelming success since its inception. The SEE concept is simple: it provides opportunities for workers aged 55 and over to work in environmental abatement and control programs. Assorted part- and full-time positions range from clerical to highly technical jobs. SEE workers represent a variety of disciplines, including engineers (civil, chemical, sanitary), geologists, biologists, chemists, economists, ecologists, administrators, computer specialists, clerks, typists, script writers, and on and on. Today, over 1,000 SEE workers are in the program.

SEE is a unique government program. It is funded by EPA, but the AARP and other national aging organizations actually hire the older workers. The work is monitored by EPA. EPA's working relationship with the aging organizations has been splendid. It is a win-win situation. EPA gets the work done, and an older person is employed.

Let me provide a few details:

- EPA provides job descriptions outlining the skills, education, and training needed, as well as the time commitment and other job requirements.
- The aging organizations recruit workers and try to match people with jobs.
- Pay scales are established by EPA's SEE program administrator. Salaries are differentiated by the type of work, i.e., clerical, administrative, technical, and professional. The range is $7.00 per hour to $12.00 per hour. There are no income eligibility limitations.
- There are no hourly requirements. Forty-hour weeks are pretty much the norm, but many SEE workers work 32 hours per week or less.
- SEE workers can be found in practically every EPA branch in Washington, D.C. as well as in regional offices and laboratories throughout the United States.

- Depending on the administering aging organization, SEE offers employee benefits, including vacations, retirement, unemployment insurance, and others.

SEE workers are an integral component of EPA. Without them, EPA would find it almost impossible to fulfill its mission. Let me give you two examples of how they have made a difference:

- SEE workers in EPA's regional offices manage the Asbestos in Schools Program. They surveyed the schools in their districts, notified them of asbestos management or removal requirements, and provided technical assistance and information to thousands of schools through the nation. It is safe to say that the SEE workers have done the job well—at a far lower cost to the government than alternatives.
- SEE professionals are the mainstay of the EPA Small Business Ombudsman Program. The Ombudsman is the "in-house" advocate for small businesses concerning EPA regulations and standards compliance activities. The Ombudsman is supported by three of the best engineers in the business: a chemical, a civil, and a structural engineer. Combined, these engineers represent over 100 years of high-level professional experience. We could not operate the Ombudsman Program without the SEE staff.

Noting the positive results of the SEE program, other federal government agencies have expressed interest in starting similar programs. Recently, the Federal Communications Commission was granted legislative authority to establish a program modeled after the SEE program. Other agencies which have inquired about the program include: Department of Agriculture, Department of Defense, Occupational Safety and Health Administration, Social Security Administration, and Office of Personnel Management. Our hope is to eventually have a statutory Federal Council to promote and oversee programs in all federal agencies.

AGENDA FOR THE FUTURE

CREATING A VISION

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The workforce is aging, the baby boom generation is maturing, and now the subsequent baby bust generation is in the wings. In the year 2000, the mean age of workers in New York State will be nearly 40. Economic trends point to labor shortages over the coming years. What many are discovering, and what many more need to discover, is that older workers remain a highly valued, yet underutilized resource in today's economy.

An intensely competitive world demands better technology, more capital investment in equipment, research, infrastructure, and so on. Quality of our *human* resources, the people, is becoming critically important. If the future U.S. economy is to match the past, the United States must have a highly skilled and educated workforce.

Aging doesn't mean what it once did. Nobody knows when "old" begins. Even the mass media seem to have discovered that aging is a part of life. It's no longer a surprise that the television show "The Golden Girls" is a hit. Age spans are increasing, and there is every reason to believe that career spans will also be longer.

New York's Governor Mario Cuomo understands that the key to a thriving economy is a quality workforce. He has organized a Job Training Partnership Council to advise him on matters relating to education and training policy and to plan, coordinate, and monitor the operation of workforce preparation programs. The 50-member body includes representation from the private sector, state and local government officials, labor organizations, community groups, and educational institutions.

New York is addressing the issue of an aging workforce on a number of fronts. Three initiatives that New York State is particularly proud of are: a task force formed specifically to examine employment opportunities for older workers; a report entitled *Creating a Vision: The Workforce Preparation System of the Future* (State of New York Job Training Partnership Council, 1990); and an exciting governor's initiative called the Skilled Worker Emeritus Program.

In his 1990 State-of-the-State message, Governor Cuomo said,

> Huge differences exist between the economic status of those elderly who work and those who do not. Non-workers depend mainly on Social Security, pensions, and SSI; and, as a result, their incomes are lower, and many are in poverty or near poverty. At the same time, we face critical workforce shortages, and I believe older citizens represent an

untapped resource to address them. The personal attributes of older workers are often highly desirable in the marketplace. These attributes may be particular knowledge, job experience, or the individual stability that accompanies maturity.

To address these issues, Governor Cuomo called upon his State Office for the Aging and the Job Training Partnership Council to form a state-wide task force. The charge was to identify ways that both the public and private sectors could create real work options for the older working population. The result of its work will be to simultaneously reduce workforce shortages and enhance the economic status of older residents.

"The best strategy to lure interested and capable older individuals back into the workforce is to not let them leave in the first place."

This Task Force on the Older Worker and Labor Force Shortages has already compiled a preliminary list of findings and recommendations. One of the main findings, thus far, is that many people today hold too narrow a view of who should and who should not be in the labor force; many people continue to think that there is an age when you're too old to be working, even though 60 years may be midlife to many people. We could afford to think this way when a large young population was ready to enter the workforce and take the jobs held by older people. The task force is recommending a marketing campaign as one method to help combat the stereotypes held by employers, employees, and the general public.

The task force is also examining the issue of retention. The best strategy to lure interested and capable older individuals back into the workforce is to not let them leave in the first place. Rather than having them retire, the task force recommends other options for keeping them in the workplace. One example is more comprehensive out-placement services in the public and private sectors that could be used as an alternative to the sometimes destructive nature of poorly executed corporate or government downsizing.

Another concept that the task force is developing and promoting is the principle of lifelong learning. In today's economy, made tougher with the advent of global competition, jobs demand better education and higher skill levels. This applies to all jobs, not just those in the high technology fields. An environment is needed where people can receive education or training at any time in life, not just when they are young or at some crisis point in their lives. Can the United States afford not to invest in better training and upgrading throughout a worker's career? No, not if the United States wants to remain a world class economic power. Just as we save for our children's education and our retirement, so, too, we must develop a mechanism which helps prepare us for future careers and career changes. This will require a partnership of public, private, and personal resources that are dedicated to lifelong learning.

Other recommendations include:

- encouragement of employers to seek alternatives to traditional staffing, scheduling, and benefits patterns;
- utilization of older worker specialists at jobs service offices;
- funding to leverage federal vocational education funds to ensure increased older New Yorker participation in training programs; and
- earmarking funds for basic skills education programs for older New Yorkers.

Earlier this year, the New York State Job Training Partnership Council published a report entitled *Creating a Vision: The Workforce Preparation System of the Future* (1990). The report made recommendations for ways to improve the New York State's entire workforce preparation system. Several new policy ideas emerged from the study, including what we call the GATEWAY concept.

Governor Mario Cuomo has adopted GATEWAY, Gaining Access To the Emerging Workforce for Adults and Youth, as a unifying philosophy for the reorganization of New York State's workforce preparation programs. The vision for GATEWAY is a comprehensive network of services immediately accessible to all customers: individuals, labor organizations, and businesses. In New York State that system has 85 discreet programs, serving 2.2 million clients, and expending $750 million annually. GATEWAY will link all workforce preparation programs into an even more efficient and coordinated system.

The primary objectives of GATEWAY are twofold: first, to develop a client-centered workforce preparation system, and second, to make all facets of the employment and training system accessible so that any client can enter the system and receive services that are appropriate, of high quality, and available when the client is ready to move forward on an individual career path.

"Can the United States afford* not *to invest in better training and upgrading throughout a worker's career? No, not if the United States wants to remain a world class economic power."

GATEWAY will help the client tailor the various services to best meet their needs. Individuals can determine what kinds and what level of services they need. GATEWAY will assist, for example, both the older individual who may lack job skills and reads at a third grade level as well as an employed older worker who wants to upgrade his or her skills. The full implementation of GATEWAY will ensure that a continuum of workforce preparation services is available to every New Yorker.

The Job Training Partnership Council is also proud of a new initiative called the Skilled Worker Emeritus Program. Created by Governor Cuomo two years ago, the program's goal is to maximize the contribution that highly skilled workers can make to the quality of our future workforce. Under this program, outstanding skilled workers from across the state are

enlisted to share their expertise with young people, displaced homemakers, and dislocated workers and to highlight the opportunities available in the skilled occupations.

The emeriti provide career information about their respective occupations. They speak around the state, conduct tours at their places of employment, and make presentations to students. The emeriti represent workers in such diverse fields as model making, radio electronics, desktop publishing, fabric design, and toy designing. The program showcases many older individuals in a strong and effective way. They serve as mentors and role models.

In its first year, 15,000 youth and adults met with the 38 emeriti. You can talk to any of the 38, and I think they would tell you that they have found a new sense of accomplishment and worth by sharing their life's experiences with young people. The Skilled Worker Emeritus Program could be a model for a national effort.

These three initiatives are designed to ensure that older individuals both continue to contribute to the economic growth of New York State and maintain their economic independence. These projects, each in its own way, can help the mature worker succeed in the labor market, and each can help elevate the esteem that mature workers deserve.

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INVOLVING OLDER PERSONS IN THE LABOR FORCE: AN AGENDA FOR THE FUTURE

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One of the resourceful roles older persons can play in the United States, and one that may become more important in the future, is that of worker. However, in order to consider an agenda for involving older persons in the labor force, we need to know something about how older workers are currently involved and what trends have formed in the past.

Is Demography Destiny?

Over the past 30 years, labor force participation rates for older male workers have declined, while those of older women have risen or remained fairly steady (see Table 1). Although the rate of decline for males has slowed somewhat, it is clear that older workers are more sensitive and responsive to swings in economic cycles. Thus, whether the substantial declines in labor force participation rates of men over the last 30 years will continue into the next 30 years is uncertain, and probably unlikely. However, it is likely that the labor force participation rates for women, especially in the 55-64 age groups, will continue to rise over the foreseeable future.

Labor Force Participation Rates, by Gender and Age, U.S.: 1960 and 1990 (Estimated)

In Millions

	Age	1960	1990	Percent Change
Men	55-59	92.1	79.2	-14%
	60-64	80.4	55.1	-31%
	65-69	46.7	26.0	-44%
	70 +	24.4	11.0	-55%
Women	55-59	40.6	54.5	+43%
	60-64	31.1	34.8	+12%
	65-69	16.9	16.6	-.2%
	70 +	6.6	8.3	+25%

Source: Bureau of Labor Statistics, *Employment and Earnings*, 1990 and 1960.

At the same time that worklives seem to be declining, overall life expectancy is increasing. Mortality rates in 1983 for persons 65 and over declined from 25 per 1000 in 1970 to about 13 per 1000 for men and from about 15 per 1000 to 7 per 1000 for women. While we don't know if these rates of decreased mortality will continue, it is clear that people are living longer and, in the near future, will continue to do so.

We also know that declining family sizes and changes in family structures (e.g.,

an increasing number of single-person and single-parent households) will reduce the worker base if current patterns continue. However, two other countervailing forces are present which may ameliorate this decline. First, the number and proportion of women in the labor force is growing and may help make up some of the difference. Second, the United States is in a position to import labor, through immigration, to supplement a declining labor force. Thus, the worker base need not decline, but if it does, economic history theory tells us that wages will rise, and higher wages usually induce older workers to remain in the labor force, rather than retire.

Policy changes have made it possible for older workers to remain in the labor force. The elimination of mandatory retirement provisions has left most workers with a choice of when to retire. However, many researchers have found that mandatory retirement provisions affected relatively few workers. On the other hand, job displacement and dislocation are more likely to affect older workers. Older workers are more likely to leave the labor force if they are laid off or if their plant closes. Those who do stay in the labor market are often forced to accept lower wages and/or change jobs to a different industry or occupation.

The desire for retirement is apparently robust. In many of the economic simulations, it takes very large changes in Social Security, pensions, earnings tests, or the like to stimulate a change in labor force participation. For example, Packard (1990) estimated that if we eliminated the earnings test for Social Security, it would change the work behavior of only 10 to 20 percent of persons aged 65 and over. We do know that persons who are highly paid, highly educated, married, and who have pensions tend to stay in the labor force longer. There also is some evidence that women in career jobs stay in the labor force longer than their male counterparts.

Bridges, Partials, and Reverses: Retirement Patterns

The definition of "retirement" is not universally consistent. In some cases, retirees include persons who are collecting retirement benefits (Social Security and/or pension), even if they continue to work. Another definition focuses on the number of hours worked, usually set at something less than 2000 per year. Some researchers count persons as retired if they self-select into that category, regardless of their involvement in the labor force. Other researchers focus on retirement from a "main job" or "career job," again regardless of whether or not the person continues to work. Depending on the definition and the data, the proportion of persons working after retirement from their career jobs ranges from 15 percent to 40 percent.

Studies by Rhum (1989) show that about two-fifths of workers retire from their career jobs. The remaining three-fifths work in some sort of bridge job (bridging between career work and retirement), partially retire, or participate in a phased retirement plan. The earlier a worker retires from his/her career job, the longer the worker tends to stay in a bridge job; half of those who stay in bridge jobs continue to work for at least five years and one-third work for 10 years or more.

A vast majority of bridge-job workers, approximately two-thirds, stay in one job, implying a strong desire for stability. Only about one-fourth of workers stay in the same industry and occupation. Women seem to be more attached to their occupation than men (possibly because they have a more narrow occupational range than men). Those who change both industry and occupation have larger losses in earnings than those who are able to remain in either (or both) the same industry or occupation.

Many workers retire from their main job and also partially retire by reducing the number of hours or weeks worked during the year. The average length of partial retirement (i.e., from full-time work to full-time retirement) is about five years and is most common among those aged 62 to 67. Minority workers are more likely to partially retire, as are males, those with lower levels of education, and those not covered by pensions. Partial or phased retirement from one's career job is rare; fewer than one in seven workers partially retires from a career job.

Nearly one-fourth of retirees reverse their retirement and reenter the labor force. Reverse retirement is more common for minorities, younger-old workers, and those without pensions. Males and workers with higher levels of education are likely to reverse partial retirements (i.e., go from working part-time to working full-time) but are less likely to reverse full retirement.

Health

Although poor health causes reductions in the labor force participation of older workers, the effects of health in the aggregate seem to be overshadowed by economic incentives and households' preference for leisure. Only about 12 percent of retirees cite health as the primary reason for leaving their main job. Men reporting poor health retire, on average, about one year earlier than those who report their health to be average or above average.

Researchers have been concerned with potential biases in self-reports of poor health, since health disabilities are often a prerequisite for receiving some benefits. Objective measures of health (number of days out of work or hospitalized, previous illnesses) are less strongly associated with reductions in labor force participation.

It is less clear how health affects postretirement employment opportunities. We might expect that the ability of some workers to do certain jobs may be hampered by certain chronic conditions (poor vision or hearing, arthritis, etc.), but little research documents these expectations.

Social Security

Economic theory posits that any unearned income will result in a reduction in labor force effort. Thus, the existence of Social Security retirement benefits creates an incentive for workers to retire. In fact, the proportion of men under 65 filing for Social Security benefits rose from 5 percent in 1961 to 58 percent in 1982. However, it is the presence or absence of these benefits that seems to matter, not the amount or size of the benefits. Half of workers leave their career jobs by age 60, prior to

eligibility for Social Security benefits. Thus, Social Security incentives alone do not seem to account for early retirement from career jobs.

Lowering the Social Security age 62 benefit reduction from 80 percent of full benefits to 55 percent of full benefits would only increase the average retirement age by three months, and raising the full benefit age from 65 to 68 would delay retirement only to an average age of 64.75. The current bonus of 3 percent for deferring retirement past age 65 is not actuarially fair (it will be an actuarially fair 8 percent per year by 2009). Still, if the credit were raised to 10 percent per year, retirement age would rise by only one week.

If a person continues to work and receive Social Security, he or she is taxed on amounts over a certain earnings limit, and this limit is set annually. In 1990, persons between ages 62 and 65 could earn up to $6,480; earnings over that were "taxed" at a 50 percent rate (workers returned $1 of Social Security benefits for every $2 of earnings over the limit). For ages 65 to 70 the earnings limit was $9,360 and overages were taxed at a 33 percent rate. Earnings limits do not apply to workers age 70 or over. Given these fairly substantial tax rates, one would expect that changes in the earnings limit would significantly alter work efforts. However, recent research by Packard (1990) indicates that the earnings limit is not a disincentive. He estimated that 80 to 90 percent of beneficiaries would not change their work behavior if the earnings test were to be eliminated. Further, the average amount of postretirement employment would rise from only 3.2 to 4.2 hours per week.

Pension

While it takes very large changes in the Social Security system to produce only minor changes in labor force participation, the same cannot be said for the pension system in the United States. Most defined-benefit pension plans are not actuarially fair. The inflation-adjusted value of the pension reaches a maximum value at an average age of 62 (the median age for maximum pension benefits is age 60, well before the "normal" retirement ages of 62 or 65) and provides a strong incentive to leave the job early. For example, Kotlikoff and Wise (1987) estimated that the addition to pension wealth from one more year of work for a 54-year-old manager with 25 years of service was about $72,500; the growth in pension wealth from an additional year of work for a 65-year-old manager with 30 years of service was a *negative* $14,900. The average pension "penalty" for working past age 65 is about one-fourth of the value of the year's wages.[1]

Defined-contribution plans are more likely to be age neutral and actuarially fair. However, these plans involve more individual risk than their defined-benefit counterparts. At some planned retirement age, the worker would need to evaluate not only the amount of money in his/her pension plan, but would need to project balances under different scenarios and assess under what conditions it pays to work an additional year.

[1]For a worker aged 65 and over, the real value of the pension declines because benefits continue to accrue to the pension plan, but the person does not withdraw benefits that he would be eligible to receive if retired.

Pensions, whether considered deferred earnings or unearned income, are a factor in postretirement labor force participation. Retirement-age individuals without pension income are more likely to be involved in the labor force. "Bridge jobs" are more common among those not covered by pensions.

Pension plans may offer some institutional constraints to continued work or phased retirement. To the extent that there are fixed costs associated with pensions as a fringe benefit, firms may not be able to offer a fair pension package to persons who are interested in partial retirement.

Human Capital Investments

Labor economics theory is fairly clear in predicting the incentive effects of education and other human capital investments (job training): the higher the investment in human capital, the longer the attachment to the labor force. In part, this reflects a worker wanting to get a positive pay back for all the missed earning years spent in school. It is also the case that higher levels of education and training are associated with higher incomes, and income and retirement age are positively correlated. However, higher incomes are positively correlated with higher levels of wealth, while higher levels of wealth (and thus unearned income) are inversely related to continued employment. Thus, the overall education-income-wealth-retirement age relationship is somewhat indeterminant. Rising levels of education may mean that older workers retain their attachment to the labor force. However, if these higher education levels are coupled with rising incomes and wealth, it may result in lower labor force participation rates for older persons.

There is some evidence that loss of sector-specific skills is related to older workers changing industries or occupations in their bridge jobs. These jobs result in lower pay and earlier retirement. Thus, if employers actively sought to maintain job skills among their older workers, these workers might work longer.

The Work Environment

Not all incentives to stay in the labor force or withdraw are economic in nature. Employers can help to create an environment where workers want to stay and continue to work. To the extent that older employees are productive and make a contribution, they may be more inclined to remain involved in the labor force. Attitudes of and stereotyping by coworkers as well as perceptions of age discrimination may need to be addressed to retain workers.

Employers and employees need to consider the institutional constraints that affect an older worker's ability to continue in the labor force. The opportunity to partially retire or to have a phased retirement may not be possible in jobs that require a regular 35- to 40-hour-a-week commitment. The availability of flextime and job sharing needs to be considered. Part-time opportunities, with and without benefits, and with regular or irregular hours, should also be considered. For

example, some older workers may prefer to work two 10-hour days as opposed to five 4-hour days.

> ***"The ability to adapt and adjust to changes may be one of the hallmarks of successful older workers in the future."***

In addition to maintaining training opportunities, employers who want to retain older workers may need to consider creative opportunities for using the skills of their older workforce. This may mean developing a company skills bank, using older workers in mentoring roles for younger workers, or working with other community organizations (e.g., the local community college) to identify and enhance the skills of their older workers.

Is The Past Prologue?

While some research has dealt with expectations of retirement aged workers with respect to labor force attachment, little has been done to determine the expectations of future cohorts with respect to their work lives.

First, it is interesting to note the expectations of persons still in the labor force but who are contemplating retirement from their main job. For example, during an offer of an early retirement incentive program, about one-third of New York State employees who were eligible to retire expected to continue to work at some level (Hogarth, 1987). However, the average expected work levels were quite low: about 10 weeks per year and only about four hours per week. Education and perceptions about longevity, income adequacy, and the local job market were factors affecting these workers' expectations about working after retirement.

It is interesting to consider what today's 20-, 30-, and 40- year-olds expect in their life spans. The view of the life span being divided into thirds of education, work, and leisure may be replaced by a model that blends lifelong learning with periods of work and leisure. Each generation has become accustomed to increased rates of change in work lives. The ability to adapt and adjust to changes may be one of the hallmarks of successful older workers in the future.

Changes in family composition and increasing rates of female labor force participation may change the nature and structure of the workforce and affect the demand for and availability of older workers.

Finally, policy messages are sent and received by workers. For a while, the availability of Individual Retirement Accounts (IRAs) to all workers was taken as a signal that households needed to start planning for self-financed retirements. Many younger workers do not expect to be able to retire in the same way as their parents or grandparents. It remains to be seen how these expectations will play out in the supply of older workers in another 20 or 30 years.

A Policy and Research Agenda for the Future

To develop a meaningful policy agenda, it is important to understand the goals and desired outcomes. It is also important to consider some of the "side effects" of the policies. For example, if we want to involve more older persons in the labor force, we know that economics works. If wage rates are increased, more people will enter or remain in the labor market. On the other hand, reducing retirement benefits will also provide an incentive to work, but this method risks the impoverishment of some individuals unable to work. Recalling that the retirement decision is fairly robust, reduced retirement benefits may not produce large labor force results and may cause substantial harm among some subsections of the population.

Pension plans have been found to have the largest incentive effects on the labor force participation of older workers. Providing for partial retirement policies with actuarially fair pension benefits is necessary. Continued development of policies governing pension coverage and an exploration of pension portability are needed. If defined-contribution plans are becoming the pension plan of the future, then policies establishing some minimum benefit guarantee may be necessary to assure the economic security of future retirees, since the worker bears more risk with this type of plan than with the defined-benefit plan.

The effects of education and job training on labor force participation are relatively unambiguous: more education means higher labor force participation rates. We need to extend every effort to reach and teach youth who are the workers of tomorrow and the older workers of the future.

The cohort effects of some policies are uncertain. Thus, policies that are good in the short run may not be optimal in the long run. For example, most of the retirement research has been done on white-population samples. We need to know more about how minorities and females respond to various policies and incentives. With increased female labor force participation rates, these younger cohorts may respond differently to policy changes later on.

"[M]ore education means higher labor force participation rates. We need to extend every effort to reach and teach youth who are the workers of tomorrow and the older workers of the future."

The data we have for modeling and simulating potential policy effects are old: the National Longitudinal Survey's Older Male cohort covered the years from 1966 to 1981; Social Security's Retirement History Survey contains data from 1969 to 1979; and the New Beneficiary Survey was done in 1982. Some current data are available from the Survey of Income and Program Participation (SIPP), but these data do not contain information on all the

relevant variables (e.g., perceived discrimination in the workplace, caregiver roles, attitudes of older workers toward aspects or characteristics of their jobs, measures of productivity.

Finally, as we think about a policy agenda for maintaining resourceful roles for older workers, it is important to remember the wide variability among individuals in the U.S. workforce. The older professional may very well be able to continue on into his/her 70s or 80s with some reduced level of effort, but still performing well. However, the physical laborer, the person who hauls the beer kegs on and off the truck every day, may need a series of jobs which involve fewer physical demands and increased training and retraining. We need to consider the many different cultures and economic groups in our inner cities, urban and suburban areas, and rural and farm areas; the needs of these groups; and how they are likely to respond to the policies we propose.

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FINDING THE RIGHT FIT: OLDER WORKERS AND THE EMERGING ECONOMY

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Aging in America is a community-based organization that also provides some national services. Our organization has numerous older-adult programs. The core mission is to create options and opportunities for a person to remain independent.

Employment is very important today. Aging in America has a national employment program, and we've created over 30 networks throughout the nation to enhance employment programming for persons who are older or disabled.

Up until now, specialists have basically worked separately. Gerontologists, social workers, and other specialists each had their own area, an island of expertise. The time has come for these professionals to work together and find out what has worked, what has failed, and why. An organization called Older Worker Employment Professionals of New York strives to coordinate activities in New York. The organization is comprised of aging and rehabilitation professionals; members of community-based organizations discuss and coordinate their employment programs. For example, we can identify what works in a rural setting and what works in an urban setting.

Opportunities exist for universities and other educational organizations as well as community-based organizations to expand and enhance programming for older persons. In the past, the emphasis has been on entry-level training for the older person, but more is being done and can be done to prepare workers with the skills and knowledge they need to be competitive in a high-tech work environment. Also, the number of entrepreneurial training programs that assist older persons in planning and operating a business are growing.

Business and other community-based organizations are interested in older workers. They're calling Aging in America saying, "Please give me somebody who's skilled, who's qualified, who can do the job." They are becoming leaner and meaner. They are cutting back, they are downsizing, and in the process they are specializing. This is not the time to disregard the older workers. More must be done to instruct and educate older workers and professionals who work with older job candidates to hone their interview and career planning knowledge and skills.

While program funding is an important factor, there are other resources than money. You can capitalize on volunteers

and businesses. Often businesses have state-of-the-art technology—they have the 5.0 computer software, and they just went to 5.1. Let us have the 5.0. We can use it to train older workers.

Businesses are beginning to work with community-based job placement organizations. It is far less expensive than temporary organizations which charge approximately 15 percent of the employee's annual salary, with a base charge of $1500. Additionally, community-based organizations frequently offer a greater range of services. These placements generate income.

Aging in America has an advisory council. Business representatives are included on the council; they provide guidance on current and emerging employment trends and opportunities. Simultaneously, businesses are beginning to understand that the seasoned worker can be profitable. The council provides information on how businesses can develop programs, policies, and incentives that retain and attract the older worker.

Businesses are preparing to implement changes being brought about by the Americans with Disabilities Act. They have sought our advice on effective strategies. Aging organizations must be knowledgeable about trends, laws and regulations; aware of state-of-the-art programs, services, and resources; and informed on how they can best serve the real and emerging needs of older workers. Older workers are becoming more comfortable with workplace technologies. The older workers with whom we work are willing, interested, and hungry for exposure and training on new technologies. For over a year, Aging in America has offered a wide range of training on state-of-the-art office technology. Most trainees have been placed within three months.

Aging in America has based its training, placement, and recruitment efforts on a keen knowledge of what the job seeker and employer need and want. We have ongoing dialogues with job seekers about their work and schedule preferences.

In 1986, AARP released a survey report: "Work and Retirement: Employers Over 40 and Their Views." The report documented that four of the five workers surveyed, over age 40, stated that they had an interest in retraining. Of this group, three-quarters were aged 50 to 62. For the most part, they were most interested in job-related skills.

"While the number of retirements are continuing to increase, 'unretirement' is also on the rise. For a variety of reasons, people are choosing to return to the workforce."

While the number of retirements are continuing to increase, "unretirement" is also on the rise. For a variety of reasons, people are choosing to return to the workforce. To best serve their needs, more information is required on the most effective "transitional" services. We need services and resources that can be tailored to the needs of each individual. Our goal is

to work with the candidate, not just to assign jobs simply because they are open or they fit a person's background.

We need services that enable individuals to make vocational decisions. To do this, though, we need to include the older worker, community-based organizations, education programs, and business. We need to forge partnerships. We need joint planning. First, aging advocates need to inform businesses that rigid schedules or shifts can be deterrents, salaries may need adjusting, and training is needed. Second, advocates must also work with businesses and design programs that are age neutral regardless of the level of training required. Third, older workers need to have support and encouragement as they investigate employment and training options or as they launch new jobs or careers that meet the needs of today's marketplace. And fourth, advocates can serve as the central liaison between business and the older worker.

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